



May 16, 2024

Dear Member of Congress,

Child care and early learning programs play a crucial role in supporting children's healthy development, learning, and school readiness, while also supporting parents' ability to work, train, or pursue an education. Not only is investing in high-quality child care good for children and working families, it's good for business and it's good for our economy.

As a result, Congress has continued to increase annual federal appropriations over the past decade. More recently, Congress made a historic investment in child care COVID-19 relief funding, and that investment paid off: A white paper from the White House Council for Economic Advisors shows COVID-19 relief funding saved families money, created more child care slots for children, increased provider wages, and boosted overall employment.ⁱ

However, child care COVID-19 relief funding is coming to an end, and despite steady increases in ongoing federal appropriations, the child care system has yet to see the level of funding it needs to truly meet the needs of families across the country. Working families still struggle to find affordable child care – spending on average more than \$11,000 each year on child care for just one child.ⁱⁱ Child care businesses continue to operate on razor thin margins and struggle to compete for workers in a tight labor market. At the same time, child care teachers earn an average of \$14 per hour, often without benefits.ⁱⁱⁱ They love their work, but loving your work and being able to pay the bills are two different things. They need to make decisions that make it possible to support themselves and their families.

Sustained, permanent increases in funding for our country's child care system are critical. [Child Care Aware® of America \(CCAoA\)](#) was pleased with the \$1 billion increase for child care and early learning programs in the final FY24 appropriations package. Specifically, the additional funding provided a \$725 million increase for the Child Care and Development Block Grant (CCDBG) for a total of \$8.7 billion for FY24. However, we know that current funding levels are still insufficient to meet the needs of eligible families. [CCAoA joins other national child care organizations in urging Congress to provide at least an additional \\$4.3 billion for CCDBG in an FY25 Labor-HHS-Education Subcommittee Appropriations bill, for a total of at least \\$12.4 billion.](#) Expanding funding for CCDBG will support states in making targeted investments to their child care systems aligned with longer-term needs, as well as allowing states to provide more families with subsidies, support and retain the child care workforce, and increase access and supply. With the rise of inflation in recent years, flatlined funding for CCDBG is not adequate to address our nation's child care crisis – and it's a problem we can't afford not to solve.

CCAoA is the country's leading voice for child care, championing equitable access to affordable, high-quality care. CCAoA works with partners at the local, state and federal levels, including the United States Military and the Department of Defense, to make child care programs, policies and funding work better for children, families, child care providers and communities. CCAoA works in all 50 states and the District of Columbia to build the supply of healthy, nurturing and stable child care that helps families get to work, supports children's



development and learning and keeps our economy growing. CCAoA also delivers innovative, results-based services for families and child care providers; produces research; engages with the media, public and policymakers; and advances policies and mobilizes action that promotes understanding of and increased investment in a high-quality child care system.

CCAoA's research underscores how for a vast majority of this country's families, good quality child care is neither affordable nor accessible. Our report, [*Child Care at a Standstill*](#), finds that in 2023 the national annual average price of child care was \$11,584.^{iv} It would take 10 percent of a married couple with children's median income and 32 percent of a single parent with children's income to afford this national average price. The high price of child care continues to exceed many family household expenses. The average price of care for two children exceeded average housing costs in three of four regions – the Midwest, the Northeast and the South. As we've seen in years past, the average price of child care for two children exceeds annual in-state tuition in all four regions.

The pandemic illuminated how indispensable child care is for the well-being and economic security of our children, families, and communities, while simultaneously revealing the system's many gaps. However, child care has been underfunded for decades, resulting in the current inadequate supply of high-quality programs and a situation where too many families are priced out of the system. Even prior to the pandemic, in 2019 CCDBG served just a fraction of eligible families—just 1 in 9 eligible children under 6 received a subsidy under CCDBG due to underfunding, long waiting lists, and high copayments.^v

We can learn from successful pandemic-era investments. Federal and state funding preserved the child care system and brought the supply of child care programs back to pre-pandemic levels. COVID-19 relief funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and the American Rescue Plan Act (ARPA) responded to the immediate crisis and provided a lifeline to the early care and education field. This funding worked, saving families money and boosting the child care sector.^{vi} Specifically, it is estimated that with relief funds, states were able to create 300,000 new child care slots.^{vii} The end of September 2023 marked the deadline for states to liquidate over 70% (\$37.45 billion) of relief funding.^{viii} While the remaining \$15 billion in ARPA funding has until September 2024 to be officially spent by states, many have been actively liquidating this funding for months and it's likely, similar to the other streams of federal relief funding, that states will exhaust this funding ahead of the September 2024 deadline. Funding for CCDBG would allow states to continue to close the gap between existing supply and unmet need and make child care more affordable for more families.

Child care is critical for America's working families as well as for the greater U.S. economy. CCAoA has long fought to ensure every family in the United States has access to high-quality, affordable child care. We urge Congress to increase funding for CCDBG and other early education programs in their FY25 appropriations legislation and look forward to continuing to work with policymakers on both sides of the aisle to build a thriving, well-supported child care and early learning system.



Sincerely,

A handwritten signature in black ink, appearing to read "Susan Gale Perry".

Susan Gale Perry

Chief Executive Officer

Child Care Aware® of America

ⁱ Council of Economic Advisers. (November 7, 2023). Did Stabilization Funds Help Mothers Get Back to Work After the COVID-19 Recession? <https://www.whitehouse.gov/wp-content/uploads/2023/11/Child-Care-Stabilization.pdf>

ⁱⁱ Child Care Aware® of America (2024). Child Care at a Standstill. <https://www.childcareaware.org/thechildcarestandstill/>

ⁱⁱⁱ Bureau of Labor Statistics, U.S. Department of Labor (September 6, 2023). Occupational Outlook Handbook, Childcare Workers. <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm>

^{iv} Child Care Aware® of America (2024). Child Care at a Standstill. <https://www.childcareaware.org/thechildcarestandstill/>

^v Malik, R. (December 2, 2021). The Build Back Better Act Substantially Expands Child Care Assistance. The Center for American Progress. <https://www.americanprogress.org/article/the-build-back-better-act-substantially-expands-child-care-assistance/>

^{vi} Council of Economic Advisers. (November 7, 2023). Did Stabilization Funds Help Mothers Get Back to Work After the COVID-19 Recession? <https://www.whitehouse.gov/wp-content/uploads/2023/11/Child-Care-Stabilization.pdf>

^{vii} Office of Child Care (2023). COVID Investments in Child Care: Supporting Children, Families, and Providers. Administration for Children and Families, U.S. Department of Health and Human Services. <https://www.acf.hhs.gov/occ/infographic/covid-investments-child-care-supporting-children-families-and-providers>

^{viii} Girouard, D. & Koch, C. (October 12, 2023). Fall Federal and State Policy Updates. Child Care Aware® of America. <https://info.childcareaware.org/blog/fall-federal-and-state-policy-updates>