Building the Child Care Infrastructure: State-Level Challenges

Georgia Poyatzis (Moderator), Shannon Jones, Alycia Hardy, Robert Hartley, Elliot Haspel

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Workshop IV: Building the Child Care Infrastructure: State-Level Challenges

• **Building the Child Care Infrastructure: State Level Challenges**
  Elliot Haspel, Robins Foundation

• **Building the Child Care Infrastructure: State Level Challenges**
  Alycia Hardy, CLASP

• **Child Care Challenges & Opportunities in Ohio**
  Shannon Jones, Groundwork Ohio

• **Childcare Assistance and Long-Run Outcomes**
  Robert Hartley, Columbia University

*Moderator: Georgia Poyatzis, IWPR and American University*
Building the Child Care Infrastructure: State Level Challenges

ELLIOT HASPEL
MARCH 4, 2022
The current crisis, pt. 1 - staffing

The care economy is behind in the recovery

Percent change in employment

Source: BLS, CEA
The current crisis, pt. 2 - costs

Since 1990, Growth in Child Care Costs Has Considerably Outpaced Other Family Expenses

Total Price Increase Over Time

Source: Bureau of Labor Statistics Consumer Expenditure Survey
The current crisis, pt. 3 - supply
Why?

U.S. DEPARTMENT OF THE TREASURY
THE ECONOMICS OF CHILD CARE SUPPLY IN THE UNITED STATES
U.S. Expenditures: K-16 vs. 0-5

Figure B2.1. Public and private expenditure on educational institutions, as a percentage of GDP (2013)
From public\(^1\) and private\(^2\) sources

OECD average (total expenditure)
U.S. Expenditures: K-16 vs. 0-5
FY2020 Children's Budget (State Funds Only)

- K-12 Education: 91.3%
- Health: 3.9%
- Child Welfare: 1.6%
- Juvenile Justice: 1.5%
- Early Childhood Education: 1.0%
- Food & Nutrition: 0.7%
- Income Support: 0.04%

Utah Children's Budget Report 2021 | Executive Summary
“Reformers implied that mothers who were willing to leave their children and go out to work were somehow ‘unnatural.’ The famous Philadelphia pamphleteer Mathew Carey claimed [in the early 1800s] that many women could not do paid housework because ‘maternal tenderness’ would not permit them to be separated from their children.”

-Sonya Michel, *Children’s Interests/Mother’s Rights: The Shaping of America’s Child Care Policy*
“Good mother care during the earliest childhood is the surest way to produce [useful and well-adjusted citizens]. It doesn’t make sense to let mothers go to work making dresses or tapping typewriters in an office, and have them pay other people to do a poorer job of bringing up their own children ... a day nursery or a ‘baby farm’ is no good for an infant.”

-Dr. Benjamin Spock, preface to 1958 edition of Baby and Child Care
Ambivalence remains... (2013 poll)

The Public Differs in Role of Fathers and Mothers

% saying children are ...

Just as well off if mother works

<table>
<thead>
<tr>
<th></th>
<th>Better off with mother home</th>
<th>Depends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just as well off if father works</td>
<td>34</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>76</td>
<td>8</td>
</tr>
</tbody>
</table>

Note: The questions were asked separately for mothers and fathers. Responses of "Just as well if mother/father works" and "Depends" are not shown.

So what can states do?

Permanent, robust public funding!
Fund subsidy at the true cost of quality
Wage scales for staff
Set “north star” goals – target affordability, access, quality; cost it out
Strong local infrastructure & innovation; states as laboratories
Emphasize both the economic and human benefits

The Exact Solution Matters Less Than Having A Real Solution!
States matter!

New Mexico expands subsidy eligibility, now gives most funding to child care of any state
Cedar Attanasio, Associated Press/Report for America
Published 1:47 p.m. MT Jul. 1, 2021 | Updated 1:51 p.m. MT Jul. 1, 2021

D.C. government will send $10,000 checks to the city’s day-care workers

Illinois to offer child care for $1 a month, beginning July 1st
Building the Child Care Infrastructure: State Level Challenges

Alycia Hardy

Institute for Women’s Policy Research, CareWork Network, & American University
Child Care Access: Unaffordable, Unsustainable, & Inequitable

❖ Unaffordable
  – Far too many families with low & moderate incomes struggle to afford child care.
  – Limitations in affording care severely limits parent options.

❖ Unsustainable
  – Using market rates to determine provider payments creates razor thin profit margins.
  – Child care workers earn poverty level wages.
  – High turnover rates & unstable child care businesses.

❖ Inequitable
$10.3 billion in state & Federal CCDF funds

$3.0 billion in state & Federal TANF funds spent child care

Total child care assistance spending $13.3 billion
CCDBG Overview:
Number of children served

Figure 2. Average Monthly Number of Children Served in CCDBG, Federal FY 1998-2019 (in millions)

FY 2019 Average Monthly Adjusted Number of Families and Children Served
CCDBG Overview

❖ Federal eligibility criteria
  – Child’s age
  – Parent activities or work requirements
  – Family income eligibility
  – Other criteria

❖ State flexibility
  – Initial income eligibility & how to count income
  – Parameters for parent activities
  – Provider payment rates & practices
  – Family co-payments
  – How funds are invested

❖ Family and provider access
CCDBG Overview: Impacts of Flexible State Eligibility

Approximately 1.9 million children (average monthly) received CCDBG assistance for child care. This is only about 1 in 7 of eligible children.

CCDBG Overview: A Critical Support that Falls Short

- Limited Federal investments provided to states through a block grant structure.
- Inadequate annual increases to support growing needs.
- States must make difficult decisions based on limited Federal funds.
- Inequitable access for children and families.
- Relies on blending funds from other Federal programs families need.
- Does not adequately support family affordability, child care provider businesses, or the workforce.
COVID Related Emergency Child Care Funding

- Coronavirus Aid, Relief, and Economic Security (CARES) Act, $3.5 billion
- Consolidated Appropriations Act of 2021, $10 billion
- American Rescue Plan Act, $39 billion
Birth Through Five Child Care & Early Learning Entitlement
How Build Back Better Addresses Affordability

- Entitlement structure beginning in year 4.

- Increased, phased-in, income eligibility up to 250% SMI.

- Reduced & capped family co-payments.

- Restrictions on charging families additional fees beyond their co-
How Build Back Better Addresses Sustainability & Equity

❖ Sustainability

• Facilities renovation, improvements, & construction & sustaining or earning higher quality ratings.
• Increasing wages & provider payment rates & reducing barriers to provider entry pathways.
• Professional development, training, credentialing, & degree attainment.

❖ Equity

• Reducing economic barriers that uphold racial inequity.
• Prioritizing families defined as underserved & the providers they rely on.
• Entitlement funding.
Questions?

Alycia Hardy
Email: ahardy@clasp.org
Twitter: @ahardyMPA17
Child Care Challenges & Opportunities in Ohio
Investing in Quality Child Care: What Parents Are Saying
Groundwork Ohio commissioned Public Opinion Strategies to complete a statewide survey of 800 registered voters and an oversample of 400 parents with children under the age of 5 in Ohio.

The survey was conducted October 26-November 8, 2021 and has a margin of error of +3.46% for the registered voter sample and +4.9% for the parents' oversample.
47% of Ohio parents with children under 5 have had serious problems with child care, meeting work and family responsibilities, or affording child care in recent months, which has impacted their work.

60% of non-working or part-time working moms with children under 5 in Ohio would go back to work or work more hours if they had access to quality child care at a reasonable cost.

43% of working parents in Ohio have had to cut back on hours to care for their children in the last few months.

Child Care is an Economic Issue

When asked what child care allows them or would allow them to do, both parents with and without child care most frequently answered:

“WORK MORE”
Child Care is an Economic Issue

80% of Ohio voters say child care is expensive where they live.

The average annual cost of child care in Ohio:

<table>
<thead>
<tr>
<th></th>
<th>Center-based</th>
<th>Home-based/Family Child Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant</td>
<td>$10,009</td>
<td>$7,592</td>
</tr>
<tr>
<td>Infant and 4-year-old</td>
<td>$18,267</td>
<td>$14,038</td>
</tr>
</tbody>
</table>

Source: Child Care Aware of America
Ohioans Want More Investment in Early Childhood Education

74% of Ohio voters (including 80% of Ohio parents with children under the age of 5) agree early childhood learning is the most important education experience of a child’s life.

When asked about allocating education dollars:

Ohio voters said 24.2% of the state’s education funding should be devoted to early childhood education (ages 0-5).

Ohio parents with children under the age of 5 said 31.4% of the state’s education funding should be devoted to early childhood education (ages 0-5).

“Strong” Republicans said 23.4% of the state’s education funding should be devoted to early childhood education (ages 0-5).

Investing in Quality Child Care: What Providers Are Saying
Ohio Providers Need Support to Recover and Rebuild

76% of Ohio child care centers are experiencing a staffing shortage. 44% of programs impacted by staffing shortages are serving fewer children; 40% have a longer waitlist; and 36% are unable to open classrooms.

75% of Ohio respondents identify wages as the main recruitment challenge.

68% of Ohio respondents say that low wages are the most common reason that educators leave the field, followed by 17% who pointed to exhaustion and burnout. Only 3% said regulations were a key challenge.

Source: National Association for the Education of Young Children national survey, conducted June 17 – July 5, 2021. A total of 540 respondents in Ohio responded to the survey, including 51% child care centers and 15% family child care homes.
Quality Child Care: Challenges in the State Legislature
Challenges in the Ohio Legislature

JUNE
- Ohio Senate unveils biennial budget plan, proposes eliminating Ohio's QRIS (Step Up To Quality)
- 17,500+ emails sent to legislators and Governor opposing Senate proposal to eliminate Step Up To Quality
- Final budget signed with compromise on Step Up To Quality
- Child Care Study Committee established

JUNE
- Child Care Study Committee convenes for the first time
- Senate passes amended version of COVID-19 relief bill that suspends Step Up To Quality

DECEMBER
- Ohio Governor signs COVID-19 relief bill, but vetoes proposal to temporarily suspend Step Up To Quality

DECEMBER
- Child Care Study Committee continues to hear public testimony

TODAY
- Ohio offering child care stabilization sub-grants through ARPA
Challenges in the Ohio Legislature

Senate Budget Cuts Star-Rating Program For Child Care Providers

COVID spending bill makes changes to Ohio's child care rating system

Ohio Capital Journal
Child care leaders ‘outraged’ at state Senate’s removal of quality system in budget proposal

Gov. Mike DeWine signs $4 billion coronavirus spending bill, but vetoes a child-care provision
Child care has become an economic issue. Ohio parents are under incredible pressure, and it’s causing challenges at home and at work.

The child care sector is struggling to rebuild and recover from the pandemic. Our society’s failure to recognize the value in the important work of early childhood educators has created a broken market.

To solve Ohio’s workforce crisis and child care crisis, policymakers must listen to the experts – parents and providers.
Thank You.

GroundworkOhio.org

@GroundworkOhio
Childcare Assistance and Long-Run Outcomes

Robert Paul Hartley  AU/IWPR/Carework

Network Conference
The U.S. Care Infrastructure: From Promise to Reality
March 4, 2022


Acknowledgment

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Overview

► We simulate the impacts of child care assistance on families’

► Across these projects, we address:

► work and child poverty effects considering policies on child care burden through subsidies or expanded tax credits;

► lifetime effects for women’s earnings and savings, including higher wage growth from reduced work interruptions; and,

► long-run benefits and costs to society from subsidizing child care based on causal estimates from the literature.
Evaluating Policy Proposals

- PACE: Promoting Affordable Childcare for Everyone
- CDCTCE: Child/Dependent Care Tax Credit Enhancement
- CCWF: Child Care for Working Families
- UCCEL: Universal Child Care and Early Learning
Child Care and Child Poverty

How much could child care assistance reduce poverty among children under age 13?

Comparison of proposed approaches:

- expanded tax credits (PACE or CDCTCE)
- generous subsidies (CCWF or UCCEL)
Mechanical Impacts of Eliminating Child Care Expenses

![Bar chart showing the percentage of families below poverty before and after reform.](chart.png)

- **Pre-reform**: 11.0% of families paying for care, 18.3% with no out-of-pocket care expenses.
- **Post-reform**: 7.4% of families paying for care, 18.3% with no out-of-pocket care expenses.
Estimated Poverty Impacts for Children < 13

Paid care pre-reform:  
- PACE
  - No: -2.6%
  - Yes: -6.6%
- CDCTCE
  - No: -7.9%
  - Yes: -10.4%
- UCCEL
  - No: -12.0%
  - Yes: -13.5%

Percent change in poverty rate:
- Static effect
  - PACE: -18.1%
  - CDCTCE: -21.8%
  - UCCEL: -31.1%
- Behavioral response
  - PACE: -8.7%
  - CDCTCE: -17.3%
  - UCCEL: -36.3%
- Upper bound; matching
  - PACE: -26.1%
  - CDCTCE: -28.9%
  - UCCEL: -30.2%

Labor  ▶ Status  ▶ Targeting
Sensitivity of under-13 Child Poverty Impacts

![Graph showing sensitivity of under-13 child poverty impacts](image)

- Elasticities

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**Center on Poverty & Social Policy**

at Columbia University

**Columbia University**

In the City of New York
<table>
<thead>
<tr>
<th>Introduction</th>
<th>Evaluating Policy</th>
<th>Lifetime Impacts</th>
<th>Benefit/Cost Analysis</th>
<th>Discussion</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th><strong>Lifetime Effects on Women’s Earnings and Savings</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Synthetic life-cycle cohort</td>
</tr>
<tr>
<td>▶ Wage profile effects</td>
</tr>
<tr>
<td>▶ Retirement savings</td>
</tr>
</tbody>
</table>
Pre-Tax/Transfer Poverty Across the Life Course
Lifetime Net Income Changes: Women with Two Children

- Matching method: $130k lifetime
- Middle estimate: $97k lifetime
- Elasticity method: $66k lifetime

Age (in years) from 20 to 60, with net income in thousands of 2018 dollars from 0 to 6.
Cumulative Lifetime Changes: Women with Two Children

<table>
<thead>
<tr>
<th>Age</th>
<th>Cumulative change in income/savings (thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>$55,000</td>
</tr>
<tr>
<td>30</td>
<td>$94,000</td>
</tr>
<tr>
<td>40</td>
<td>$114,000</td>
</tr>
<tr>
<td>50</td>
<td>$124,000</td>
</tr>
</tbody>
</table>

- Social Security benefits
- Private retirement savings
- Wage growth
- Net income
Pre-Tax/Transfer Poverty: Changes Post-Reform*
Long-Run Benefit/Cost Analysis

- Changes in monetary resources
- Income benefits on future productivity
- Offsetting costs and societal value
## Conceptual Table: Benefits/Costs of Subsidized Care

<table>
<thead>
<tr>
<th>Description</th>
<th>Direct Beneficiaries</th>
<th>+</th>
<th>Indirect Taxpayers</th>
<th>=</th>
<th>Total Society</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Changes in family economic resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidized care; increased caregiver wages</td>
<td>+</td>
<td></td>
<td>-</td>
<td>?</td>
<td></td>
</tr>
<tr>
<td>. . . subsidies supplanting out-of-pocket</td>
<td>+</td>
<td></td>
<td>-</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>. . . remainder of care subsidies</td>
<td>+</td>
<td></td>
<td>-</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>. . . increased wage of child care workers</td>
<td>+</td>
<td></td>
<td>-</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increased earnings of parent recipients</td>
<td>+</td>
<td></td>
<td>0</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>. . . from increases in hours worked</td>
<td>+</td>
<td></td>
<td>0</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>. . . increased wage profiles via experience</td>
<td>+</td>
<td></td>
<td>0</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>Increased tax payments by parents</td>
<td>-</td>
<td></td>
<td>+</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Reduced other cash/near-cash transfers</td>
<td>-</td>
<td></td>
<td>+</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Increase in retirement security of parents</td>
<td>+</td>
<td></td>
<td>-</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Cost of transfers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative costs</td>
<td>0</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Excess burden for taxpayers</td>
<td>0</td>
<td></td>
<td>?</td>
<td>?</td>
<td></td>
</tr>
</tbody>
</table>
## Conceptual Table: Benefits/Costs of Subsidized Care

<table>
<thead>
<tr>
<th>Outcomes related to household income</th>
<th>Direct Beneficiaries</th>
<th>+</th>
<th>Indirect Taxpayers</th>
<th>=</th>
<th>Total Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased child’s future earnings</td>
<td>+</td>
<td></td>
<td>0</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Increased child’s future tax payments</td>
<td>-</td>
<td></td>
<td>+</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Decreased child’s future transfer payments</td>
<td>-</td>
<td></td>
<td>+</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Increased child’s health/longevity</td>
<td>+</td>
<td></td>
<td>0</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Avoided expenditures on health care costs</td>
<td>+</td>
<td></td>
<td>+</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td>Avoided expenditures/costs of crime Avoided expenditures on foster care Increased parent’s health/longevity Increased payments due to longevity Increased expenditures for education</td>
<td>0</td>
<td>+</td>
<td>0</td>
<td></td>
<td>+</td>
</tr>
<tr>
<td></td>
<td>+</td>
<td></td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

### Implications of changes in child care quality*

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* In this context, the changes in child care quality refer to improvements or declines in the quality of child care services. These changes can have significant implications for the well-being of children and their long-term outcomes, impacting both direct beneficiaries (e.g., the child) and indirect taxpayers (e.g., society as a whole through changes in tax payments, healthcare costs, and crime rates). The table above provides a conceptual framework for evaluating these impacts, breaking down the effects into direct and indirect measures, which can then be aggregated to assess the total societal impact.
Discussion

► Child care assistance can have large impacts on reducing child poverty and raising women's income over a lifetime.

► Early evidence indicates that subsidizing child care would provide greater value to society than costs.

► Understanding the role of expansive child care policy and maintaining high quality care is important, and evidence supports positive outcomes for economically disadvantaged families.

► Our work has engaged with policy development at the federal and state level, currently providing evidence for New York State.

Appendix
Child Care and Labor Force Trends

- **Child care burden**
  - Prevalence: 20% → 36%

- **Women's labor force participation**
  - Prevalence: 46% → 59%

- **Men's labor force participation**
  - Prevalence: 81% → 72%

- **Paid child care**
  - Prevalence: 39% → 27%
Distribution of Family Child Care Expenses per Income
Private and Public Child Care Expenditures
Targeting of Proposed Benefits by Poverty Status

A. Static policy impacts

- Ordered by ratio of income to poverty threshold
  - Higher income (2 or greater)
  - Low income (1.5-1.99)
  - Near poverty (1-1.49)
  - Below poverty (.5-.99)
  - Deep poverty (Less than .5)

B. Net benefit after behavioral responses

- Percentages for each poverty status by program:
  - PACE
  - CDCTCE
  - CCWF
  - UCCEL
  - Comparisons and implications for policy evaluation.
Arrangements: Preschoolers of Employed Mothers
Child Care Costs by Arrangement Type

- Individual, no prior relationship
- Individual, prior relationship
- Center-based ECE
- Other organizational ECE

Weekly child care cost vs. Income-to-poverty ratio
Employment Elasticity for Child Care

Literature elasticity estimates

Simulation elasticities

- Lower elasticity assumptions
- Central elasticity assumptions*
- Higher elasticity assumptions
- Expansive assumptions
- Matching-based implied elasticities

Elasticity

[Diagram showing various points and labels related to employment elasticity estimates and simulation elasticities.]
Distributional Effects of Child Care Reform

A. Distribution of yearly hours of labor supply

- Pre-reform estimates, by sample
  - With child aged 13-17
  - With child under 13, higher-income/inelastic
  - With child under 13, policy-responsive

- Post-reform policy-responsive sample
  - PACE
  - CDCTCE
  - CCWF
  - UCCEL
Distributional Effects of Child Care Reform

B. Distribution of yearly earnings

- Pre-reform estimates, by sample
  - With child aged 13-17
  - With child under 13, higher-income/inelastic
  - With child under 13, policy-responsive

- Post-reform policy-responsive sample
  - PACE
  - CDCTCE
  - CCWF
  - UCCEL
Work Status for Single Parents or Secondary Earners

- Pre-reform Child U13 Low-income
  - FTFY: 9.6%
  - Working: 46.3%
  - Part-year: 36.8%

- PACE Child U13 Low-income
  - FTFY: 9.6%
  - Working: 49.1%
  - Part-year: 39.5%

- CDCTCE Child U13 Low-income
  - Part-year: 40.7%

- CCWF Child U13 Low-income
  - Working: 53.0%
  - Part-year: 38.8%

- UCCEL Child U13 Low-income
  - Working: 54.2%
  - Part-year: 39.0%

- Pre-reform Child U13 High-income
  - Working: 54.5%

- Pre-reform Child 13-17
  - Working: 57.4%
  - Part-year: 22.6%

- Working: 75.5%
Poverty Rates for Men and Women 65 Years and Older

- **All seniors**
  - Men: 12.1%
  - Women: 15.7%
- **White, non-Hispanic**
  - Men: 9.4%
  - Women: 12.8%
- **Hispanic**
  - Men: 26.8%
  - Women: 24.7%
- **Black**
  - Men: 20.9%
  - Women: 24.7%
- **Asian/Pacific Islander**
  - Women: 19.1%
  - Men: 18.5%

Legend:
- Men
- Women
Working Full-Time/Full-Year (Ages 25 – 64, +Child < 13)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Women, pre-reform</th>
<th>Women, post-reform</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than college, high school</td>
<td>25.7%</td>
<td>39.9%</td>
<td>72.2%</td>
</tr>
<tr>
<td>High school or equivalent no degree</td>
<td>40.0%</td>
<td>52.2%</td>
<td>81.0%</td>
</tr>
<tr>
<td>Some college, high school or equivalent no degree</td>
<td>46.2%</td>
<td>56.3%</td>
<td>82.6%</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>50.7%</td>
<td>58.8%</td>
<td>85.9%</td>
</tr>
<tr>
<td>Bachelor's degree/higher</td>
<td>57.1%</td>
<td>60.5%</td>
<td>90.6%</td>
</tr>
</tbody>
</table>
Work Status Transitions: Women with Child < 13
Net Income Changes: Women with Two Children

Life-Course Profiles by Educational Attainment

A. Net change in income, by educational attainment

B. Percent change in income, by educational attainment
Net Income Changes: Women with Two Children

*Life-Course Profiles by Poverty Status*

**C. Net change in income, by poverty status**
- Deep poverty, 0-49%
- Poverty, 50-99%
- Near poverty, 100-149%
- Low income, 150-199%
- Higher income, 200%+

**D. Percent change in income, by poverty status**
- Deep poverty, 0-49%
- Poverty, 50-99%
- Near poverty, 100-149%
- Low income, 150-199%
- Higher income, 200%+
Net Income Changes: Women with Two Children

*Life-Course Profiles by Race/Ethnicity*

**E. Net change in income, by race/ethnicity**

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Graph 1</th>
<th>Graph 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>White, non-Hispanic</td>
<td><img src="image1" alt="Graph 1" /></td>
<td><img src="image2" alt="Graph 2" /></td>
</tr>
<tr>
<td>Hispanic</td>
<td><img src="image1" alt="Graph 1" /></td>
<td><img src="image2" alt="Graph 2" /></td>
</tr>
<tr>
<td>Black</td>
<td><img src="image1" alt="Graph 1" /></td>
<td><img src="image2" alt="Graph 2" /></td>
</tr>
<tr>
<td>Asian/Pacific Islander</td>
<td><img src="image1" alt="Graph 1" /></td>
<td><img src="image2" alt="Graph 2" /></td>
</tr>
<tr>
<td>Native American</td>
<td><img src="image1" alt="Graph 1" /></td>
<td><img src="image2" alt="Graph 2" /></td>
</tr>
</tbody>
</table>
Women’s Earnings per Men’s (Ages 25 – 64, +Child < 13)

[Graph showing the earning ratio of women to men from 1980 to 2010, with annotations for 6.3% and 2.1% points.]
Gender Earnings Gap (Ages 25 – 64, +Child < 13)

- White, non-Hispanic
- Hispanic
- Black
- Asian/Pacific Islander

Percent change

- Less than high school
- High school or equivalent
- Some college, no degree
- Associate’s degree
- Bachelor’s degree or higher
Employment Elasticity to Child Care Price

- Mahringer and Zulehner (2015); Austrian mothers, 1995, 2002
- Herbst (2010); single mothers
- Cascio (2009); public Kindergarten, bounds
- Baker, Gruber, Milligan (2008); Quebec mothers in 2-parent families
- A range of Canadian studies* (see Baker et al., 2008)
- Tekin (2007); mothers, from part- to full-time employment
- Vittingen (2005); U.K. low-income families
- Connelly and Kimmel (2003); single mothers
- Gelbach (2002); public Kindergarten
- Baum (2002); 2 years after birth, by income status
- Baum (2002); 1 year after birth, by income status
- Han and Waldfogel (2001); unmarried women
- Han and Waldfogel (2001); married women
- Berger and Black (1992); single mothers
Life-Cycle Correlations with Family Size and Earnings

Approximate correlations between current and lifetime income: 0.31 0.66 0.90 1.00 0.94 0.85 0.78 0.73 0.72
Distribution of Earnings by Family Type

A. Distribution of yearly hours of labor supply

- Pre-reform estimates, by sample
  - With child aged 13-17 (match-donors)
  - With child under 13, higher-income/inelastic
  - With child under 13, policy-responsive

- Post-reform policy-responsive sample
  - Matching method
  - Elasticity method
B. Distribution of yearly earnings

Pre-reform estimates, by sample
- With child aged 13-17 (match-donors)
- With child under 13, higher-income/inelastic
- With child under 13, policy-responsive

Post-reform policy-responsive sample
- Matching method
- Elasticity method

Earnings vs. Percentile chart showing the distribution of earnings by family type before and after reform, with different methods and samples.