



PROMOTING ACCESS TO CARE

CAREGIVING AND FAMILIES

Federal Policy Solutions to Advance Gender Equity | February 2025

OVERVIEW

Care is a part of all of our lives. From care and early education for young children to support for aging or disabled adults, care work—both paid and unpaid—is fundamental to our families, communities, and the economy. Yet persistent underinvestment in the care economy means that both families and the care workforce face serious challenges that must be solved at the federal level.

Care is an essential support for parents' full participation in the economy, education, and training, and for children's well-being and development. Additionally, disabled people and older adults seek care in their homes and communities. When families cannot afford or access care for their children, elders, or family members

who need it, it is disproportionately women who shoulder the responsibility of providing unpaid care, often forcing them to cut back their full participation in paid work and threatening their economic security and advancement.

Whether for children or adults, a lack of federal investment in care means that paying for it can be an enormous burden on families. Yet despite the high cost of care, care workers—who are disproportionately women of color—are among the lowest-earning workers in the labor force. Ultimately, care is essential for healthy families and a strong economy—not to mention something that everyone will need throughout their life—and it must be treated and funded as such.

| **105.6M**

Forty percent of adults in the US are currently providing unpaid care to aging or disabled family members or loved ones.

WHAT THE RESEARCH SAYS

The US care crisis is a result of high costs and lack of accessibility due to significant, long-term underinvestment in the care infrastructure, the care workforce, and working families.

- **Child care costs are prohibitively expensive for many families.** According to the [Department of Labor](#), US families spend between 8.9 percent and 16.0 percent of their median income on full-day care for even a single child.
- **The federal Child Care Development Fund (CCDF) served over 1.3 million children in around 800,000 families in FY 2021.** The CCDF provides assistance to low-income families to pay for child care while parents work or attend training programs. Yet it reaches only a small minority of eligible families—just **14 percent** in 2020, according to the Center for Law and Social Policy—due in large part to a lack of federal investments.
- **Federal funding in the American Rescue Plan, which has since expired, reached more than 220,000 child care programs (both centers and home-based family child care programs) and saved one million care jobs during the pandemic, according to research by The Century Foundation (TCF).** TCF further reports that, without the continuation of these investments, 3.2 million children could lose access to care. The estimated costs of lost earnings for parents due to losing access to care are \$9 billion annually.
- **IWPR research finds that the large majority of early educators and other child care center workers have some college-level education, and close to half (48.1 percent) have at least an associate's degree.** Yet, in 2019, they earned just \$12.00 an hour—less than two-thirds (62.7 percent) of the median hourly wage of all workers. Black child care center workers' median hourly wages were even lower, at just \$10.89. Only one in four child care center workers (26.2 percent) had health insurance coverage from their employer, while another 13.9 percent were covered by Medicaid, Medicare, or military health insurance.
- **The number of direct care workers, such as nursing aides, home health aides, personal care assistants, and direct support professionals—85 percent of whom are women—has risen sharply in the last two decades, against the background of the rapidly rising need for eldercare.** Yet, low wages and poor working conditions are leading to high turnover and staffing shortages and are reducing the quality of care.
- **According to the Kaiser Family Foundation, one in five adults in the US receives ongoing support and care for the daily tasks that allow them to live independently, such as eating, dressing, and assistance with mobility.** Nearly 700,000 older adults and disabled people are on waiting lists for Medicaid Home- and Community-Based Services (HCBS). Unlike Medicaid, Medicare does not cover the majority of long-term services.
- **RAND reports that 40 percent of adults in the United States, or 105.6 million people, are currently providing unpaid care to aging or disabled family members or loved ones. According to Pew Research Center, almost one in four adults is now part of the “sandwich generation,” caring for both an aging parent and a child.** This figure will continue to grow as the US population ages and more adults require care for daily activities and needs. Most older adults would prefer to receive care at home.





WHY IT MATTERS

For too many people, care remains inaccessible and unaffordable. Families—and the economy—need federal solutions, namely, large-scale public investments in the care economy. Care work is critical, yet care workers do not earn a living wage. For example, the share of women living in poverty is twice the rate for child care workers than for all workers, according to [MDC](#), and wages for child care workers are so low that [they cannot afford](#) center-based care for their own children. Meanwhile, [data](#) from the Department of Labor shows that, in many US counties, the median cost of infant care is higher than the median cost of rent. There is a critical need to promote equitable access to care through a publicly funded system that prioritizes the needs of those who both give and receive care.

Capping the costs of early childhood care and education to no more than 7 percent of household income would have a substantial [impact on the economy](#) by increasing women's labor force participation and women's likelihood to work full-time, particularly for lower-income families. A [study](#) from the Economic Policy Institute (EPI) found that capping child care expenditures at 10 percent of a family's income would increase women's labor force participation, boosting GDP by about 1.2 percent, or about \$210 billion, and that the benefits of capping costs at 7 percent would be even greater.

Even though child care is absolutely essential to our families and the economy—not to mention critical to the well-being and development of children—child care workers are not adequately compensated. IWPR has [documented](#) how child care jobs fail to provide care workers with living wages, benefits, or financial security, leaving workers unable to support their families or build a career and ultimately leading to low workforce retention. High workforce turnover impedes the quality of all types of care—a great disservice to families who deserve the peace of mind that their loved ones are receiving the utmost care during critical life stages such as development and aging. [Research](#) by Mathematica shows that fair compensation and increased workforce supports would improve the ability of programs to recruit and retain a qualified workforce, leading to an increased supply of high-quality care for families.

Care is consistently rated a top priority for people in polls and surveys. A 2023 IWPR study found that [three out of four adults](#) believe it is important for Congress to pass legislation expanding access to affordable, high-quality child care and investing in early childhood education (73 percent), and two out of three adults say child care should be a top priority for the federal government to address (65 percent).



POLICY SOLUTIONS

To create a system where care is accessible and affordable for everyone, federal policymakers must invest in care as a public good. **Policymakers should consider initiatives to:**

Invest in a publicly funded child care and early learning system that helps kids learn and grow in a safe and stimulating environment and is staffed by a supported and well-compensated workforce. As part of efforts to ensure that child care is affordable for all families, policymakers should enact a cap on child care costs at no more than 7 percent of income.

Invest in the child care workforce. Policymakers must strive to ensure that the child care workforce can earn a living wage, access good benefits, enjoy workplace protections, and have opportunities for career advancement. Federal policy should promote the right of care workers to unionize and collectively bargain to ensure fair workplaces.

Increase access to existing programs that support child care for families, including through increased funding. This includes Head Start and Early Head Start, as well as the Child Care Development Fund (CCDF). In FY 2024, lawmakers approved a historic \$725 million increase for the CCDF program, as well as a \$275 million increase to Head Start and boosts to other early childhood care and learning programs, but need still outpaces investment. Policymakers should also look to address the **additional barriers** that families face in accessing CCDF subsidies, including eligibility requirements and burdensome application and enrollment processes.

Prioritize underserved communities. This includes specific attention to child care **deserts**. Federal policymakers should invest in initiatives aimed at building supply

in underserved communities, creating opportunities for providers to build new programs or expand existing ones in these areas. Policies that prioritize grants and funds for providers working with underserved communities would promote a more equitable child care landscape and offer increased access for low-income families, families of children with disabilities, families experiencing homelessness, English language learners, and other families that historically struggle the most to access quality care.

Promote options beyond the traditional 9-to-5 hours for care, since many working or studying parents require care outside these times. One option is to support family and home-based care, the sector most likely to provide care during these nontraditional hours. The federal government also supports child care on college campuses through the Child Care Access Means Parents in School (CCAMPIS) program. Policymakers could improve the accessibility of child care for **post-secondary students with children** by increasing funding for this program.

Leverage federal investments in infrastructure in support of child care access. For example, under the CHIPS and Science Act, companies receiving grants worth over \$150 million were required to create a plan to increase access to child care for their workers. If **well executed**, the CHIPS mandate could provide a model for future federal initiatives.



Advance the policies that enable working adults to balance professional and care responsibilities, including paid family and medical leave and paid sick and safe leave.

These policies would support the ability of all workers to take time away from work to care for loved ones without fearing for their jobs or income.

Promote access to care for older adults and adults living with disabilities through public investments in community-based care.

This includes policies focused on recruiting and retaining professionals to this critical workforce, including by promoting better pay, job quality, and opportunities for advancement for care workers. Policymakers could build upon the pandemic-era federal investments in the care workforce, namely the American Rescue Plan (ARP), which provided funding to states to support the care workforce. States **used** ARP funding in a range of ways, including direct payments to workers, creating training pathways to support career development, and other initiatives aimed at increasing the direct care workforce.

Extend coverage of long-term services and supports through Medicare, including by expanding **Medicare** to cover home care for all seniors and people with disabilities on Medicare who need it. Currently, Medicare typically does not cover long-term care services. **Analysis** by the Kaiser Family

Foundation has found that a version of this policy would benefit an estimated 14.7 million Medicare beneficiaries, or 23 percent of those living in the community.

Invest in strengthening Medicaid's Home- and Community-Based Services. Medicaid is the primary source of funding for long-term services and supports for adults with disabilities and older Americans, many of whom prefer to receive services at home rather than in facilities or institutions. Medicaid's Home- and Community-Based Services (HCBS) can allow adults who need support to stay in their homes and communities so they can live independently and with dignity. HCBS also provides critical services, including respite services for family caregivers, and supports older adults and disabled people to "self-direct" their own care and hire a family member to be their caregiver if they choose. Currently, there are caps on enrollment, waitlists, and limits on eligibility for home- and community-based services based on where people reside because, unlike skilled nursing facilities or institutional care facilities such as nursing homes, HCBS is considered an optional service under federal law. As a result, nationally, several hundred thousand people are on waiting lists for these services, with an **average wait time of over three years**. Policymakers should prioritize increasing access to HCBS, including through consistent and robust funding.





KEY LEGISLATION

Child Care for Working Families Act:

Legislation to improve child care affordability and address shortages through several mechanisms, including the creation of a new federal-state partnership, a new grant program to support child care providers and increase worker pay, and a universal preschool program.

Building Child Care for a Better Future Act:

Legislation to **provide** long-term funding to states, territories, and tribes to invest in child care infrastructure by increasing the Child Care Entitlement to States, as well as increasing funding to tribes, tribal organizations, and territories.

Child Care Stabilization Act: A bill that would invest \$16 billion in mandatory funding each year for the next five years to continue the pandemic-era Child Care Stabilization Grant Program.

Domestic Worker's Bill of Rights: A bill designed to protect labor rights and working conditions for domestic workers, including by repealing exemptions that deny domestic workers core workplace protections such as paid overtime, antidiscrimination protections, and health and safety coverage.

Child Care Access Means Parents in Schools (CCAMPIS) Reauthorization Act:

Legislation to reauthorize the CCAMPIS program, which provides funding for campus child care at post-secondary institutions, at \$500 million per year. The bill would also increase the maximum grant level and eliminate barriers in the program.

Home- and Community-Based Services Relief Act: A bill to **provide** two years of funding to states to improve HCBS programs.

Home- and Community-Based Services Access Act: Legislation to **require** coverage of HCBS under Medicaid, increase Medicaid funding for HCBS services, and support the direct care workforce and family caregivers.

US families spend up to **16%** of their median income on full-day care for even a single child.





EXECUTIVE PRIORITIES

Budget for Child Care. Historic increases in the FY 2024 funding for the Child Care Development Block Grant (CCDBG) still fall short of needed investments. Further increases aimed at lowering costs and raising provider wages are needed. The impacts of the expiration of nearly \$24 billion in pandemic-era federal relief funds have been [well-documented](#), underscoring the need for greater federal investments.

Enforce the 2024 final regulation making critical updates to the Child Care and Development Fund (CCDF) to improve affordability and accessibility of care. This regulation capped the amount low-income households pay for child care to 7 percent of their household income and made it easier for states to completely eliminate copayments for households below

150 percent of the poverty level and other vulnerable families. This regulation also required that states make timely, increased payments to child care providers to better reflect the cost of care and contains provisions to make it easier for certain families to apply for and receive assistance.

Fully implement and expand existing regulations to support care for older adults and adults with disabilities. These include rules enacted in April 2024: the Minimum Standards for Nursing Homes rule, which establishes the first-ever minimum national staffing requirements for nursing homes, and the Ensuring Access to Medicaid Services rule, which, among other things, strengthens home-and community-based services (HCBS).