

Opinion Think child care is hard to find now? Wait a couple of months.



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In June, when Tracy Fredrick was forced to close her child-care center's doors for good, 100 kids suddenly lost their care arrangements.

They're just the start. Nationwide, 3 million more kids are expected to lose their child-care slots in the coming months, after a significant federal funding program ends in September. The country is facing a cascading crisis not only for the children losing care, their families and the small businesses that watch and educate children, but also every *other* sector of the economy that needs the care industry to exist so parents can work.

"People were crying on the phone wanting me to take their kids, saying, 'I don't know what I'm going to do. I'm going to have to quit my job,'" said Fredrick. She ran Today's Child Learning Academy, in Waterford, Wis., for eight years, usually with a long waitlist.

There was never exactly an abundance of available child care in this country, given the yawning gap between what most parents can afford and the pay levels required to attract and retain care workers. Then the pandemic further destabilized an already tenuous business model. Providers around the country shut down — or could stay open only intermittently because of frequent covid outbreaks. Employment in the sector plummeted by more than one-third in early 2020.



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As the economy reopened, many of those laid-off or furloughed child-care employees decided to leave the sector for good. The pay had never been sufficient, especially relative to the exhausting work of wrangling and educating small children. Now, different opportunities became even more attractive, as other industries facing labor shortages rapidly raised wages. Fredrick said her company's starting wage was \$13 per hour, the average for all child-care workers across Wisconsin; that's less than new employees make at Walmart or Home Depot.

Another Wisconsin child-care provider I interviewed, Corrine Hendrickson, said her 16-year-old son outearns her, at least on an hourly basis, at his part-time job in the back of a restaurant.

Thankfully, a series of pandemic-era government interventions has helped keep some of these fragile care operations afloat, at least for a while. Among the most significant came via the American Rescue Plan, which awarded states \$24 billion in “child-care stabilization grants.” States distributed this money in different ways, with allowable uses including raising staff pay, reducing tuition, and defraying rent and maintenance costs.

The care sector is still struggling, no doubt. The number of employees working for child-care providers remains below pre-pandemic levels. This funding nonetheless helped stave off complete collapse.

Collapse is back on the table, though, as the funding is slated to expire Sept. 30. After that happens, more than 70,000 child-care programs are expected to close entirely, according to estimates from the Century Foundation. Researchers there project that in some parts of the country (Arkansas, Montana, Utah, Virginia, West Virginia and D.C.), the number of licensed programs could be cut by half or more.

We’ve already seen a preview of the carnage to come, as states have begun winding down their subsidy programs.

With relatively little notice, Wisconsin slashed its monthly payments to providers in half in May. That helped drive Fredrick’s decision to close the following month. She had been receiving about \$15,000 per month from the state’s Child Care Counts program, which she primarily allocated for raises and bonuses, yet still struggled to retain staff. To make up for the lost public funding, she calculated, she would have had to raise rates for infant and toddler care from an already steep \$280 per week to \$400 per week. She knew this wasn’t feasible for the families she served.

State politicians in Wisconsin and elsewhere are fighting over whether to plug the hole left by the end of federal assistance. Meanwhile, child advocates around the country have urged Congress to simply renew some version of those federal stabilization grants. Republicans insist, though, that programs passed under the auspices of a pandemic response bill should not be extended now that the public health emergency is over — even if other emergencies loom, such as a potential collapse of the labor market as care infrastructure disintegrates.

Even President Biden, who has publicly supported more funding for child care in political campaigns and his annual budgets, has been unwilling to go to bat for it this time. The supplemental appropriations request his administration released this month omitted the issue completely, despite pleas from child-care experts and lawmakers who had been warning of the coming funding cliff for months.

This is astonishingly shortsighted. The littlest Americans need investments in their development. Their parents need help to continue working. And the nation’s economy, both today and tomorrow, would benefit from consistent support for both.