



THE WHITE HOUSE
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FACT SHEET:

How the Biden-Harris Administration Will Address Our Caregiving Crisis

Too many Americans struggle with the high costs of raising children, caring for a sick family member, providing long-term care for people with disabilities or older adults, and addressing the myriad other caregiving challenges. Although professional care is costly for families, caregivers themselves remain some of the [most underpaid workers](#) in the country, often having to rely on public income supports to get by. This not only weakens the economic security of their families but it leads to higher turnover and lower quality care. Many Americans fill the gap in professional caregiving options by providing unpaid care to their loved ones. Too often, the role of unpaid caregiver falls to women who have to reduce working hours, choose lower-paying jobs, or leave the labor force entirely, resulting in lower lifetime earnings and reducing their retirement security. And the lack of investment in early care and learning for children, and especially children from economically disadvantaged families, can have lasting impacts on their success later in life.

The lack of care infrastructure affects our entire economy. In part due to the [lack of family friendly policies](#), the United States has fallen behind its competitors in the share of women in the labor force. One study found that a lack of child care options costs the United States economy [\\$57 billion per year](#) in lost earnings, productivity, and revenue. Another study found that lack of paid leave options [cost workers \\$22.5 billion](#) each year in lost wages. Research shows [investments in the care economy](#) would increase employment, especially for women, reducing the gender employment divide. And, one economist finds the [President's plan](#), and especially its investments in the care economy, would increase labor force participation by almost a full percentage point—with even greater gains for women—and boost the economy's real GDP growth by 10 to 15 basis points in the long-term, leading to a more robust and equitable economy.

To keep the middle-class in reach for millions of Americans and strengthen our economic security, we need to address our caregiving crisis. President Biden's American Families Plan and American Jobs Plan do just that, by making historic investments in the nation's care infrastructure and supporting the professional caregiving workforce, which is disproportionately made up of women, and in particular, women of color. President Biden's plans will:

- **Create a National Comprehensive Paid Family and Medical Leave Program.** This will allow workers, after full implementation, to earn most of their wages for 12 weeks and take time to bond with a new child; care for a seriously ill loved one; deal with a loved one's military deployment; find safety from sexual assault, stalking, or domestic violence; heal from their own serious illness; or grieve the death of a loved one.

- **Make High-Quality Child Care Affordable for Millions of Families, and Universal High-Quality Preschool Free for Millions More, While Ensuring a Well-Trained and Well-Compensated Workforce.** All families will have the option to send their 3- and 4- year-olds to high-quality preschool in their community, and families earning up to 1.5 times their state’s median income will pay no more than 7 percent of their income for high-quality child care for all children under age five. The American Families Plan also invests in training opportunities and raises wages for care workers. And, it makes permanent the expanded Child and Dependent Care Tax Credit, so that families earning up to \$125,000 can get up to \$8,000 back on child care expenses for children under age 13, and families earning up to \$438,000 can partially benefit. Finally, it extends the Child Tax Credit in the American Rescue Plan, which stay-at-home parents and others can use to offset their expenses.
- **Expand Access to Long-Term Care Services under Medicaid and Create Good Middle-Class Home Care Jobs with a Free and Fair Choice to Join a Union.** This expanded access to long-term care services will help more older Americans and people with disabilities live independently at home or in their community and support efforts to raise the wages and benefits of caregivers.
- **Increase Access to Quality, Affordable Health Insurance.** By extending the American Rescue Plan’s tax credits for Affordable Care Act premiums, President Biden’s plan will save [nine million people](#) hundreds of dollars per year on their health insurance premiums, and help [four million uninsured people](#) gain health coverage.

These proposals build on the American Rescue Plan’s emergency investments in long-term care, paid leave, home visiting, and child care and early learning.

PAID LEAVE

A lack of paid family and medical leave has been identified as a key reason why the United States has fallen behind our economic competitors in the share of women in the labor force. The United States is one of the only countries in the world that does not guarantee paid leave. In fact, nearly [four of five private sector](#) workers have no access to paid family leave. And, [95 percent of the lowest wage workers](#), who tend to be [predominately women](#) and [workers of color](#), lack any access to paid family leave. Studies have shown that new mothers who live in states with paid leave laws are [18 percentage points](#) more likely to be working a year after the birth of their child. In addition, paid leave can [reduce racial disparities](#) in wage loss and improve child health and well-being. Paid leave is good for employers, too, because it improves employee retention, reduces turnover costs, and increases women’s labor force participation. The American Families Plan:

- **Creates a National Comprehensive Paid Family and Medical Leave Program.** The program will ensure workers receive partial wage replacement to take time to bond with a new child; care for a seriously ill loved one; deal with a loved one’s military deployment; find safety from sexual assault, stalking, or domestic violence; heal from their own serious illness; or take time to deal with the death of a loved one.

- This program guarantees twelve weeks of annual paid parental, family, and personal illness/safe leave by year 10, and also ensure workers get three days of bereavement leave per year starting in year one. The program will provide workers up to \$4,000 a month, with a minimum of two-thirds of average weekly wages replaced, rising to 80 percent for the lowest wage workers.
- **Calls upon Congress to Pass the Healthy Families Act.** The act will require employers to allow workers to accrue seven days paid sick leave per year to seek preventative care for them or their family. The COVID pandemic has highlighted the need for a national paid sick leave policy, to help workers and their loved ones quickly recover from short-term illness and prevent the spread of disease. Over [30 million workers](#), including [67 percent of low-wage workers](#), do not have access to a single paid sick day. Low-wage and part-time workers, a [majority of whom are women](#), are [less likely](#) to have access to paid sick days.

CHILD CARE AND EARLY LEARNING

Difficulty in finding high-quality, affordable child care and lack of access to preschools [leads some parents](#) to drop out of the labor force entirely, some to reduce their work hours, and others to turn down a promotion. When a parent drops out of the workforce, reduces work hours, or takes a lower-paying job early in their careers, they can suffer [lifetime consequences](#) on earnings, savings, and retirement. In contrast, access to quality early learning and child care can provide lifetime benefits for our nation’s children while also giving parents the flexibility to stay working, if they choose. A [recent review](#) indicates that every dollar invested in early childhood programs resulted in an estimated \$2.50 to \$10.80 in benefits—children grew up healthier, were more likely to graduate high school and college, and earned more as adults. One study by Nobel Laureate James Heckman found that every dollar invested in a high-quality, birth to five program for the most economically disadvantaged children resulted in \$7.30 in benefits. A [recent study in Boston](#) found that preschool boosts on-time high school graduation by 5.4 percentage points, and increases postsecondary enrollment by 11 percent. President Biden has proposed a historic plan to invest in child care and early learning, providing many options to parents so they can choose what works best for them and their children.

New High-Quality Subsidized Child Care Program

The American Families Plan:

- **Makes Child Care Affordable.** Families will pay only a portion of their income based on a sliding scale. For the most hard-pressed working families, child care costs for their young children would be fully covered and families earning up to 1.5 times their state’s median income will pay no more than 7 percent of their income for all children under age five. The plan will also provide families with a range of inclusive and accessible options to choose for their child, from child care centers to family child care providers to Early Head Start.
- **Invests in High-Quality Child Care.** Child care providers will receive funding to cover the true cost of quality early childhood care and education—including a developmentally appropriate curriculum, small class sizes, and culturally and linguistically responsive

environments that are inclusive of children with disabilities. These investments support positive interactions that promote children’s social-emotional and cognitive development.

- **Invests in the Child Care Workforce.** More investment is needed to support early childhood care providers and educators, more than [nine in ten](#) of whom are women and nearly [five in ten](#) of whom are women of color. Early childhood care providers and educators are [among the most underpaid](#) workers in the country, and [nearly half](#) receive support from public income programs. The typical child care worker earned [\\$12.24 per hour in 2020](#)—while receiving few, if any, benefits, leading to high turnover and lower quality of care. President Biden’s plan will provide a \$15 minimum wage for early childhood staff and ensure that those with similar qualifications as kindergarten teachers receive comparable compensation and benefits. And, it will ensure child care workers receive job-embedded coaching and professional development, along with additional training opportunities, including through new caregiving training in the American Jobs Plan and free community college for eligible programs in the American Families Plan. These investments will lead to better-quality care, while also enabling these workers to care for their own families, reducing government spending on income support programs, and increasing tax revenues.
- **Builds the Supply of Care.** The President has allocated \$39 billion from his American Rescue Plan to address the child care crisis caused by COVID-19, \$24 billion of which is helping providers reopen or stay open so families can access child care in their area. Even before COVID-19, however, 43 percent of parents reported struggling to find an adequate child care facility for their children. In areas with the greatest shortage of child care, women’s labor force participation is about [three percentage points less](#) than in areas with a high capacity of child care slots, hurting families and hindering U.S. growth and competitiveness. President Biden is calling on Congress to provide \$25 billion to help upgrade child care facilities and increase the supply of child care in areas that need it most. Funding would be provided through a Child Care Growth and Innovation Fund for states to build a supply of infant and toddler care in high-need areas. President Biden also is calling for an expanded tax credit to encourage businesses to build child care facilities at workplaces.

Child and Dependent Care Tax Credit

The American Families Plan permanently increases the Child and Dependent Care Tax Credit (CDCTC) enacted in the American Rescue Plan. This expanded credit:

Provides Families with a Tax Credit for Spending on Qualified Child Care. Families can receive up to half of what they spend on child care for children under age 13, up to a total of \$4,000 for one child or \$8,000 for two or more children. Families making less than \$125,000 a year will be eligible for a 50 percent reimbursement, while families making between \$125,000 and \$400,000 will receive a partial credit with benefits at least as generous as those they receive today. The credit can be used for expenses ranging from full-time care to afterschool care to summer care. The American Families Plan also makes the credit permanently refundable, allowing families with low, or no, tax liability to fully benefit.

- **Dramatically Expands Support to Low- and Middle-Income Families.** In 2019, a family claiming a CDCTC for the previous year [got less than \\$600](#) on average towards the cost of care, and many low-income families got nothing. If Congress fails to extend the CDCTC expansion, more than 6 million families could see their taxes go up at the end of the year – many by thousands of dollars – making obtaining affordable child care more difficult.
- **Complements American Families Plan’s Investments in Child Care Affordability.** Families could choose either this expanded tax credit or the expanded subsidy program for the same child care expenses – providing more options for families. In particular, this tax credit could be beneficial for middle-class families a little higher-up the income scale and families with school-aged children.

Child Tax Credit

The American Families Plan extends the Child Tax Credit (CTC) expansion first enacted in the American Rescue Plan. Parents can use this tax credit on everything from diapers, to putting more food on the table, to paying the rent or mortgage. The American Families Plan:

- **Significantly Expands the Child Tax Credit.** It increases the amount of the credit from \$2,000 per child to \$3,000 per child six-years-old and above, and from \$2000 to \$3,600 per child for children under six. It also makes 17-year-olds eligible for the first time, and makes the credit fully refundable on a permanent basis, so that low-income families—the families that need the credit the most—can benefit from the full tax credit. For a family with two parents who earn a combined \$100,000 per year and have two children under six, the Child Tax Credit expansion means the family’s credit would go from \$4,000 total to \$7,200 total, an additional \$3,200 per year in tax relief. For a family with two parents who earn a combined \$24,000 per year and have two children under six, the expansion means even more; they would see roughly an additional \$4,400 in tax relief because the full credit was not previously fully available to them.
- **Delivers the Child Tax Credit monthly.** This ensures families don’t have to wait until they file yearly taxes to receive the credit.

Pre-K

The American Families Plan creates a national partnership with states to offer free, high-quality, accessible, and inclusive preschool to all three- and four-year-olds, benefitting five million children and saving the average family \$13,000, when fully implemented. The program will first target high-need communities. The American Families Plan:

- **Provides Preschool in the Setting of a Parent’s Choice.** From school to child care providers to Head Start to other community-based providers—parents will have the flexibility to choose what works for them and their families.
- **Ensures That All Publicly-Funded Preschool Is High-Quality.** That means low student-to-teacher ratios, high-quality and developmentally appropriate curriculum, and supportive classroom environments that are inclusive for all students. These investments support positive interactions that promote children’s social-emotional and cognitive development

Workforce

The American Families Plan makes significant investments in our early education and child care workforce. Specifically, the plan:

- **Invests in Training Opportunities for Early Childhood Educators.** The President's proposal leverages investments in tuition-free community college and teacher scholarships to support those who wish to earn a bachelor's degree or another credential that supports their work as an early childhood educator. It also provides educators with job-embedded coaching and professional development.
- **Increases Wages for Early Childhood Educators.** The President's plan provides educators with wages and benefits that reflect the importance of their work. It ensures all employees in participating pre-K programs and Head Start earn at least \$15 per hour, and those with comparable qualifications will receive compensation commensurate with that of kindergarten teachers.

LONG-TERM CARE

Even before COVID-19, our country was in the midst of a caregiving crisis. In addition to caring for children, families feel the financial burden of caring for aging relatives and family members with disabilities, and there is a financial strain on people with disabilities who seek to live independently and ensure they are getting care in their homes. At the same time, hundreds of thousands of people who need better care are unable to access it, even though they qualify for services under Medicaid. It can take years for these individuals to get the services they badly need. Caregivers – who are disproportionately women of color – have been underpaid and undervalued for far too long. Wages for essential home care workers are approximately \$12 per hour, making them among the lowest paid workers in our economy. In fact, one in six home care workers live in poverty. President Biden is calling on Congress to make substantial investments in the infrastructure of care in our country. Specifically, he is calling on Congress to put \$400 billion toward expanding access to quality, affordable home- or community-based care for aging relatives and people with disabilities. The American Jobs Plan:

- **Expands Access to Long-Term Care Services under Medicaid.** The American Jobs Plan expands access to home- and community-based services and extends the longstanding Money Follows the Person program that supports innovations in the delivery of long-term care.
- **Builds an Infrastructure to Create Good Middle-Class Jobs with a Free and Fair Choice to Join a Union.** The HCBS expansion under Medicaid can support well-paying caregiving jobs that include benefits and the ability to collectively bargain. This will improve wages and quality of life for essential home health workers and yield significant economic benefits for low-income communities and communities of color.

HEALTH CARE

Access to health care and hospitals should be a right, not a privilege, and Americans facing illness should never have to worry about how they are going to pay for their treatment. No one should have to choose between buying life-saving medications or putting food on the table. The American Families Plan:

- **Permanently Extends the American Rescue Plan’s Expanded ACA Premiums Tax Credits.** The biggest improvement in health care affordability since the Affordable Care Act, the American Rescue Plan provided two years of lower health insurance premiums for those who buy coverage on their own, saving families an average of [\\$50 per person per month](#) by ensuring consumers won’t have to pay more than 8.5 percent of their household income on their Marketplace plan premium per year. The American Families Plan will make those premium reductions permanent, a \$200 billion investment. It will save [nine million](#) people hundreds of dollars per year on their premiums, and [four million](#) uninsured people will gain coverage.
- **Addresses Maternal and Infant Health Disparities.** The Biden-Harris Administration is committed to tackling health disparities that are rooted in bias and systemic racism. America’s maternal mortality rates are among the highest in the developed world, and they are especially high among Black women and Native American women— regardless of their income or education levels. The American Families Plan includes a \$3 billion investment to improve maternal and infant health outcomes. Growing and diversifying the perinatal workforce, improving data collection to better understand the causes of maternal death and complications from birth, and investing in community-based organizations are priorities of this Administration.
- **Supports Veterans and Their Families.** Caring for our veterans, their families, caregivers and survivors is a priority for the Biden-Harris Administration. Through the American Families Plan, veterans who receive health care services from the Department of Veterans Affairs will experience better coordination and access to family support services. In addition, the American Jobs Plan will provide \$18 billion to modernize Veterans Affairs hospitals and clinics, ensuring access to world-class health care for our nation’s veterans.

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