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How Build Back Better Advances Racial Equity in Child Care and Early Education

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One of the **Build Back Better (BBB) Act's** most significant effects would be in reshaping the child care and early education field through long-overdue changes that will begin to address racial inequities—both for families and providers—through alleviating many of the socioeconomic barriers that uphold those inequities.

Overview

The BBB Act's *Birth through Five Child Care and Early Learning Program*, would provide access to child care for **approximately 20 million children and free universal preschool for 6 million children**. The bill's historic investments would also **improve the quality of programs, increase pay for providers, and reduce child care costs for families**. This robust funding allows states to make policy decisions, without the harmful trade-offs, that often result from limited resources. Historically, significant underfunding and a scarcity mindset has driven state policymakers to make difficult decisions about how to allocate limited resources despite an increasing need throughout the system. And, in doing so, policymakers have too often overlooked the children and families who have been deeply impacted by these trade-offs and are in most need.

Historical Racial Inequities

These harmful trade-offs **have disproportionately impacted Black and other communities of color**—particularly those with the lowest incomes. Despite **exacerbated needs due to generations of exclusionary and harmful policies**, communities of color often endure **inequitable access to child care and early education programs**. Moreover, providers—**who are disproportionately women of color**—are **chronically underpaid, face barriers to licensing, and receive little support for their long-term business sustainability**.

The historic, systemic, and structural racism that plagues the United States has done tremendous harm to the child care and early education system. The BBB Act's child care and early education provisions will begin to address some of these socioeconomic inequities.

Creating an Equitable System

The BBB Act's significant funding will be foundational to creating an equitable child care and early education system by:

Reaching more children than ever before, including millions of children of color who have been previously directly and indirectly excluded from child care assistance. The BBB Act would set up child care as an entitlement program, meaning funds are made available to states based on the population of eligible children and families, instead of relying on a limited amount of funds to determine how many children and families can be served. The entitlement structure will provide child care assistance to **90 percent of families with children under age 6**, and as a result, would significantly expand access for families of color. To ensure families across the country have this expanded access, the BBB Act prohibits states—which will play a key role in implementing the program—from instituting more restrictive eligibility requirements beyond families' income and parents' participation in eligible activities. Historically, **more restrictive policies have created additional barriers for families of color with low incomes** who face intersecting racial and economic inequities that reduce access to economic opportunities. For example, the act would restrict additional requirements for child care assistance based on a child or parent's immigration status. Additionally, the universal pre-K program includes dedicated funding for children in families who are engaged in migrant or seasonal agricultural labor—a sector that is disproportionately comprised of **Latino workers**.

Targeting populations that are underserved and in which children of color are overrepresented due to systemic inequities. Communities of color have been subjected to race-based discrimination due to **decades of harmful policy** decisions across **public institutions such as housing, labor, education, health care, the justice system, and immigration**. Furthermore, children and families of color have been forced to endure generational trauma, stress, and inequitable access to resources that has **reduced their economic stability and access to opportunities**. Under the child care and early education provisions, states are required to prioritize federal funding to improve the quality and supply of services to communities that have been historically excluded. The BBB Act also prioritizes

providers who support children who have been underserved, by increasing the number of available providers and slots for those children. The pre-K provisions also allow states to award enhanced payments to local preschool programs that serve high percentages of children with low incomes, so the programs can better support health, educational, nutritional, social, and other family needs with comprehensive services. Because of the intersecting structural, racial, and socioeconomic inequities across public institutions, communities of color are overrepresented in the BBB Act's "underserved target populations." Populations that are underserved include dual language learners, children in families with low incomes, and children who receive care during non-traditional hours, to name a few.

Increasing access to affordable child care by basing families' out-of-pocket cost for child care on annual income. The child care and early education system has failed to meet the needs of the children who have been most marginalized by limiting their participation and leaving millions of families unable to access these programs, in part, due to high costs. These costs have disproportionately affected Black, Hispanic, and immigrant families, with **69 percent of Black and 72 percent of Hispanic working parents likely to experience unaffordable child care as compared to 63 percent of all working parents and 60 percent of white working parents.** This is in part due to ongoing systemic and structural inequities that perpetuate overrepresentation of communities of color in 1) jobs paying lower wages, 2) the ranks of those experiencing higher unemployment rates, and 3) families living below the federal poverty level. Early childhood programs act as a public good that support **widespread economic growth** and stability, by **helping to mitigate the impacts of poverty** and supporting increased **access to economic opportunities.** The BBB Act **caps eligible families' child care co-payments to the federal benchmark of 7 percent** of annual family income and restricts providers from charging families additional co-payments. The infusion of federal investments in child care subsidies will increase provider payment rates to reflect the **true cost of care**, eliminating the need for additional co-payments from families, while supporting providers' long-term sustainability. As a result, the BBB Act could help eligible families see a **\$5,000 - \$20,000 annual cost savings**, depending on the state where they live and their income level.

Increasing provider wages and creating equitable pathways for participation and quality improvement. The child care system began with the forced labor of **Black women as caregivers for white children during slavery.** This history created the foundational **racial, gender, and economic inequities** that is reflected today through the **devaluation of the child care and early education profession.** This sobering history underpins decades of insufficient federal investments, resulting in **low wages for early educators**, low payment rates for providers, an **overburdened system of public assistance**, and an overall lack of support for those who **dedicate their lives to this critical work.** The substantial costs of providing care to meet necessary but costly quality standards is often exacerbated by racial and economic inequities that create disproportionate barriers for providers of color. The provisions in the BBB Act support improvements to the quality of facilities, buildings, and other physical infrastructure. In addition, the act supports human infrastructure by creating equitable pathways and opportunities for a variety of provider types—including those who currently serve families under the Child Care and Development Block Grant—to become providers under the new system. It does so by allowing those who currently provide child care services three-and-a-half years to

meet new state standards and offering robust funding to support paying providers and their staff a living wage, increasing access to professional development, and providing technical assistance to help providers meet the new state licensing and quality standards. Under the universal preschool provisions, states are also required to support a mixed delivery system for preschool services, creating opportunities for preschool providers in a variety of settings.

Critical Foundation for Equity

The BBB Act's investments alone cannot erase generations of deeply rooted racial inequities that have persisted throughout the child care and early education system. However, the act offers an important step toward addressing ongoing systemic and structural inequities that deeply harm children, families, and providers of color. The robust investments increase access to child care and early education programs through equity-focused provisions targeting communities that have been historically underserved. The Build Back Better Act's child care and universal preschool provisions are a once-in-a-generation opportunity to create change by responding to needs of children, families, and providers through meaningful, immediate and long-term positive impacts for communities of color.