

COVID AND EARLY CHILDHOOD EDUCATION: CASE STUDIES OF INNOVATIVE PRESCHOOL APPROACHES DURING THE PANDEMIC WITH SUGGESTED TAX (AND NON-TAX) SUBSIDIES

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ABSTRACT

Early childhood programs hold a firm anchor in the comprehensive educational landscape. During the COVID-19 pandemic, the federal Head Start program was shuttered nationwide as were many informal preschool facilities, meanwhile wealthier parents used unique neighborhood “learning pods.” This paper examines these models along with informal care by family or friends. A cost-and-benefit analysis focuses on the disparate impacts on the various stakeholder groups. Pertinent tax proposals, including a refundable dependent care credit, a reinstated per child credit for young children, a generous earned income credit, and an expanded employer leave credit are examined, as well as paid family leave, universal preschool, and universal health insurance.

Keywords: Early Childhood Education, Tax Credits, Family Leave, Universal Preschool, Universal Health Insurance

INTRODUCTION

Research consistently confirms that basic educational skills learned before a child’s fifth birthday yield significant long-term benefits. Yet, access to such early learning programs varies widely by economic class and geography. The COVID-19 pandemic only heightened the awareness of the inequities that plague preschool education in America. Mothers were disproportionately left with the responsibility of providing for the care and education of their children, while at the same time being expected to perform market labor. Many low-income parents reduced their job availability or quit their jobs outright in order to secure adequate care for their children, often relying upon family or friends to provide some unpaid care. The federal Head Start program was shuttered nationwide and, with it, its in-kind two-meal nutritional program. Meanwhile, wealthier parents deployed neighborhood “learning pods” that provided their children with unique and heightened learning environments. Many informal preschool centers, who employed mostly women, lacked the resources to remain viable and closed permanently. Similarly, many private licensed preschools also failed due to reduced enrollments. Those that survived, with the aid of federal loans and state grants, found their previous operational models unsustainable.

RESEARCH AND POLICY RECOMMENDATIONS

This paper discusses financing early childhood education and care, including through the tax code and with direct government subsidies. It makes recommendations to reinstate the per child credit for children under six years-of-age, expand the dependent care credit, adopt a refundable dependent care credit, and value caregiving through a new refundable credit. It further recommends adopting a national,

comprehensive family leave policy, universal preschool, and universal healthcare. Three predominant preschool education models during the pandemic are examined: 1) informal care provided by family or friends, (2) paid-care through both licensed and non-licensed childcare centers, and (3) state and federal government-provided pre-kindergarten schools. A cost-and-benefit analysis focuses on the disparate impacts of these models on the participant children themselves, their parents, or other providers.

The Reality and a Comparison With Other Western Countries

As the country emerges from the pandemic, certain facts seem self-evident. First, the closure of care centers during COVID could have significant long-term adverse impacts on children as significant benefits arise from quality preschool education. Second, women bore the primary responsibility of care when centers were closed, often quit their jobs, and have not returned to the workforce in pre-pandemic numbers. Third, finding quality, affordable childcare is even more difficult after the pandemic as many private licensed preschools closed permanently during the pandemic. Fourth, the pandemic has had a particularly hard impact on lower-income, rural, and minority groups. Furthermore, the U.S. did not fare as well as other western countries during the pandemic. In general, the U.S. has a more inequitable society with lower social mobility. Thus, low-income black and Native Americans died disproportionately during COVID-19. The U.S. has one of the highest medical costs in the western world with the delivery of less than high-quality health care. In addition, the U.S. is one of only a few western countries with no paid family leave, universal preschool, universal health care, or a variety of other social safety net programs.

Theory, Three Models of Care, and Suggestions for Change

There are competing, diverse, and politically controversial theories that guide policy in this area as Republicans and Democrats fiercely disagree as to the approach that should be taken. The three principal models of preschool education utilized during the pandemic are compared based on quality of care, parent/child preference, costs, and resilience to COVID, as well as the means of financing this care, whether provided or subsidized by the government, or as a result of personal responsibility. Several tax and non-tax measures are suggested to address the most acute shortcomings in this childcare crisis, including modifying and expanding the tax code to help families with childcare responsibilities. This includes reinstating the “per child credit” under the American Rescue Plan Act of 2021 (ARPA), expanding the amount of the “dependent credit”, and making the “dependent care credit” refundable, as was the case under ARPA. In addition, a new credit is recommended—a refundable caregiving credit—for the unpaid or underpaid care provider.

CONCLUSION

Childcare is causing an enormous strain on both parents and children. The lack of affordable care is impacting the ability of women to work in the marketplace and of the lower- and middle-classes to seek upward mobility. This paper discusses the three models of childcare during the pandemic, their tax and non-tax advantages. It makes both tax and non-tax suggestions to address the childcare crisis in the United State. The following tax changes are recommended: (1) reinstate the extra per child credit for children under the age of six, (2) increase the dependent credit, (3) make the dependent care credit refundable, and (4) institute a new refundable caregiver credit. It makes the following non-tax recommendations: (1) paid Family Leave, (2) the passage of universal preschool, and (3) the adoption of universal health insurance.