

The D.C. child-care ruling is a disaster for young families

By Ryan Bourne

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Young families and many child-care workers were dealt a huge blow last month when a court upheld a pernicious D.C. day-care regulation.

The U.S. Court of Appeals for the D.C. Circuit <u>dismissed a suit</u> challenging the Office of the State Superintendent of Education's requirement that D.C. day-care providers require <u>a college degree</u>. When the rule kicks in from December 2023, the result will be more expensive child care and fewer work opportunities for many vulnerable workers.

Putting legalities aside, the rule has always been truly dreadful economics. D.C. already has the highest-priced child care nationwide, with full-time center-based care for infants costing an average of \$24,378 per year and even home-based care costing \$18,425.

These figures amount to 79 percent and 60 percent of local median income for single parents, respectively, making child care simply unaffordable for the poorest, absent government support. Putting two kids into a child-care center in D.C. costs 41 percent more than the local average mortgage payment and nearly twice the cost of tuition at a public university.

Enforcing a new standard that requires carers to have an associate's degree in early-childhood education or 24 credit hours in that subject to supplement an existing degree will squeeze the number of carers further, raising prices higher still.

The time and financial costs of obtaining the credentials create a new barrier to those considering working in the sector and encourages exit for those without the 10 years' continuous experience needed to avoid the rule. Previous <u>research from economists Diana Thomas and Devon Gorry</u> has found that state requirements for lead carers to have even a high school diploma increase prices by 25 percent to 46 percent. The D.C. educational hurdle is much more stringent.

The impact of this supply squeeze will be highly regressive. Proponents of the rule argue it will improve child-care quality, which will lead to better child-development outcomes. Yet <u>research by economists V. Joseph Hotz and Mo Xiao</u> has found that increasing the average required years of education for center directors in other states reduced the number of child-care centers open. The resultant higher prices mean many poor or middle-income families cannot afford child care that works for them even if they can find it, forcing them toward informal arrangements or forgoing

work opportunities entirely. The impact on the development of children being raised in financially poorer households and makeshift child-care settings has so far been ignored.

Then there is the effect on potential carers. For those low-qualification workers and poorer immigrants for whom English is not a first language, obtaining this qualification will be a tall order financially and instructionally. People in these groups, often with vast experience in raising their own children, are therefore denied the opportunity to care for others' children for a living, even when parents consent. This is mutually destructive. Indeed, one can imagine many families might value their child being exposed to a different language at a young age, but this rule smothers this opportunity.

In opposing the regulation, the plaintiffs pointed out that, as structured, child-care workers would have to take local college courses that incorporate classes or electives unnecessary for the care of infants and toddlers. The court, laughably, argued in return that advanced mathematics or courses in Shakespeare could still be useful, "as any adult who has been flummoxed by a two-year-old repeatedly asking 'why' can attest." Why, exactly, a child-care worker needs a formal qualification to answer 2-year-olds' questions, when parents do not, is unclear.

In fact, it's worth bringing things back to first principles here: If parents, with personal knowledge of their children's wants and needs, decide that a certain home day-care provider is best, what business is it of the D.C. government to say what qualifications the carer should have? The fact that this policy has been delayed in implementation again and again since its adoption in 2016, with more workers carved out for exemption, is acknowledgment itself that this rule is contentious.

In the past year, Democratic federal legislators have pushed for federal programs that would cap families' child-care spending. One reason child care is becoming more expensive to provide, however, is precisely because of government regulations that restrain the number of available workers.

D.C. will take this occupational licensing to extremes through these new education requirements. It is difficult not to wonder whether lawmakers' and staffers' desire for more federal demand-side subsidies is in part a result of the supply-side dysfunction they experience for their own families in Washington.

Ryan Bourne occupies the R. Evan Scharf Chair for the Public Understanding of Economics at Cato and is the author of the recent book Economics In One Virus. He has written on numerous economic issues, including fiscal policy, inequality, minimum wages, infrastructure spending, the cost of living and rent control.