

MYTHS *or* FACTS?

Donald Trump on Child Care

There is no question that America has a child care crisis. In much of the United States, families [spend more on child care for two kids than on housing](#).

American families desperately need access to high-quality, affordable child care starting from birth and continuing through school age.

But Donald Trump's plan does not come even close to providing a real solution and will be a step backward for many.

As with his plan for private school vouchers, Trump's proposals for paid maternity leave and child care do not add up. His plan will not provide the necessary funding and will not provide particularly broad benefits. It will [do little to help low- and middle-income families and nothing to address the need for high-quality child care](#).

How will Trump's plan affect working families?

We can learn just about everything we need to know about Trump's child care plan by looking at how it would affect two very different families in Ohio. Here's an example:

Each family has two parents, an infant and an older child who is already in school. Each is paying \$8,977 per year for child care for their younger child, the average amount for infant care in Ohio.

One family makes \$450,000, putting them in the top 5 percent of income. The other makes the median income for a family of four, \$78,000.

Under the Trump plan, the richer family gets a tax break of \$3,000. The middle-class family gets a tax break of \$750.

Even if a family couldn't afford the average cost of child care and chose a somewhat less-expensive setting—say, an in-home daycare or another option costing less than the average amount—their tax break would still go down.

Under Trump's plan, the less you can afford, the lower your support.

Imagine a third Ohio family whose income is low enough that they don't have a federal tax liability. Under the Trump plan, they could potentially get approximately \$1,200 in benefits annually, provided they're able to save, set money

aside and pay for their own child care up front. That's \$1,200 in savings for a poor family, compared with the \$3,000 in savings a family making \$450,000 would see.

Many single-parent families, and those two-parent families with more than two children, are likely to have their taxes actually go up. That's because of changes in the other parts of Trump's tax plan. Approximately 1 in 5 families with children will face higher taxes. The vast majority are moderate- and lower-income families. Yet no millionaire's taxes go up under this plan.

We've already seen that Trump's plan does little to help middle-class and low-income families—and might actually leave them worse off than they already are. Here's an even more detailed reality check on Trump's wild claims:

CLAIM

Trump's child care deduction helps the families that need it most.

REALITY

This is a regressive plan.

Trump's proposal would end the federal child and dependent care tax credit. It would also eliminate per-child exemptions and change the rate structure in a way that increases taxes on many lower-income families. Meanwhile, his alternative tax deduction would disproportionately

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benefit higher-income individuals and families, since they're the ones who are able to take advantage of itemized tax deductions. This plan will systematically help richer families and raise taxes on many poorer families.

Even worse is that the deduction is capped at the average amount of child care expenditures in your state. If you spend less on child care, because you have less income, you end up receiving less support. Our goal should be to help all families have access to high-quality care.

CLAIM

Trump's child care deduction will make child care more affordable for all families.

REALITY

Lower- and middle-income families could actually be worse off.

Trump's plan would replace the existing child care credit with a deduction that helps lower- and middle-income families less. The existing credit is worth 20 percent of child care costs up to \$3,000, for a maximum credit of \$600. But under Trump's plan, a low-income family that pays 15 percent income tax would actually lose money if they deducted less than \$4,000 in child care. And remember, a family that can't afford to spend \$4,000 on child care in the first place can never deduct \$4,000 in child care expenses. When other changes in his plan are added in, Trump would raise taxes on roughly 8 million mostly moderate- and low-income families.

CLAIM

Trump's savings plan helps all families save for child care.

REALITY

A savings plan mostly benefits those who can already afford to save.

Trump's proposed Dependent Care Savings Account, which would allow "tax-deductible contributions and tax-free appreciation year-to-year," offers much more to high-income families than to lower-income families. For example, a high-income family putting \$2,000 into a savings account would get a tax break of nearly \$800. A middle-class family that puts in \$2,000 might only get \$300 if they are in the 15 percent tax bracket. If they have more than two children or are a single-parent family, there is a good chance they

will actually pay more. Lower-income families eligible for a match would get less than the highest-earning families.

CLAIM

Trump's plan for paid maternity leave would cost taxpayers nothing and would not add to the federal budget.

REALITY

Saving money through unemployment insurance reform will not provide the necessary funding.

According to a 2013 study by the St. Louis Federal Reserve, the cost of unemployment insurance fraud is \$3.3 billion. But according to figures taken from Save the Children's 2012 "State of the World's Mothers" report, providing all new mothers with six weeks of paid maternity leave would cost \$13 billion. Hillary Clinton's far more comprehensive plan would offer 12 weeks of leave at two-thirds of a worker's previous salary, and would be paid for by making sure the richest Americans pay their fair share in taxes.

CLAIM

Trump's child care plan includes regulatory reform that will improve opportunity for families.

REALITY

Slashing child care regulations will decrease checks and balances that ensure safe, high-quality programs.

Regulations help ensure children are cared for in a safe space while their parents are at work. Trump says he'll remove regulations and make child care more like the sharing economy or Uber. In practice, that means removing health and safety regulations for facilities where children spend their days, including standards for fire escapes, proper food storage, safe equipment (such as cribs), age-appropriate activities, and caregiver-to-child ratios. Removing these safeguards would put our children in grave danger.

According to the National Women's Law Center, studies show that low-quality care can significantly derail a child's development. Children without access to high-quality child care have weaker reading and cognitive skills and display more aggression toward other children and adults.¹

Trump's proposals do not offer a real solution for working families trying to find and pay for high-quality child care for their infants, toddlers and preschoolers. Instead, Trump offers more tax loopholes and benefits for the wealthiest.

1. National Institute of Child Health and Human Development Early Child Care Research Network, "Cognitive, Linguistic, and Social Consequences of Early Experience: Child Care and Social Competence" (January 1999).