

**Joint Economic Committee**  
**Opening Remarks for Hearing “Building Blocks for Success: Investing in Early Childhood Education”**  
**April 10, 2024**

This hearing will come to order.

I would like to welcome everyone to today’s Joint Economic Committee hearing, titled “Building Blocks for Success: Investing in Early Childhood Education.”

Today’s hearing will begin with five-minute opening statements from myself, Vice Chairman Schweikert, and each of our four witnesses.

We will then proceed to questions, alternating between parties in the order of Member arrival.

Members are reminded to keep their questions to no more than five minutes.

Now, for opening statements.

This Congress, this Committee has repeatedly discussed how important it is to invest in our nations’ kids and families.

Time and again, our witnesses have reiterated how investing in kids strengthens our economy, immediately and long into the future.

Today, we’re focusing specifically on the economic benefits of early childhood education.

The data clearly shows that having access to affordable and reliable early childhood education unlocks benefits for parents, their kids, and the economy.

Many of our own personal experiences back this up.

Affordable early childhood education makes it easier for parents and caregivers to work, to afford groceries and rent, and to save for retirement.

In total, researchers estimate that inaccessible child care costs anywhere between \$8.3 and \$78 billion in lost wages every year.

High quality pre-K also helps kids do better in school later in life and can even improve their future job prospects.

And when parents can keep working without having to worry about providing child care themselves, businesses don't have to spend time and money hiring and training their replacements.

This could save companies billions of dollars each year.

Federal investments in early childhood education also help keep child care centers open and raise wages for child care workers.

The benefits of accessible and affordable child care pay off long into the future, with higher lifetime earnings and better outcomes for many kids who participated in early childhood education.

This, in turn, leads to a stronger workforce, economy, and revenue base at the local, state, and federal levels. All while driving down spending on social services.

Unfortunately, right now, this win-win scenario remains out of reach.

That's because the current, private market for early childhood education simply cannot and is not meeting the needs of every family.

As of 2018, more than half of people in the United States lived in a child care desert, where slots fall alarmingly short of demand, resulting in long waitlists and high prices.

Families are currently spending an average of 10% of their income on child care, despite the fact that the Department of Health and Human Services recommends no more than 7%.

Government funding and support for these programs is essential for our country and economy to reap the maximum benefits of early childhood education.

While investments in the American Rescue Plan helped bring down the cost of care for families and support child care workers, that funding was only temporary.

I've repeatedly advocated for more federal child care funding, but Congress has yet to meet this growing need.

Because of this inaction, it has been up to states to lead the way on guaranteeing affordable early childhood education.

Today, we'll hear more about how we fought to lead the way in New Mexico, setting the standard when it comes to providing accessible child care and pre-K to every family.

That journey started over ten years ago, when families and advocates in New Mexico fought to amend our state constitution to tap into our land grant permanent fund so we could deliver the benefits of early childhood education to every single one of our kids.

I was proud to be the first of New Mexico's federal elected leaders to support this effort. And, after over 70% of New Mexicans voted for it in 2022, I was proud to lead the effort to secure the congressional approval that was required to put this program in action.

As a result, funding for early childhood education in New Mexico is going up by \$150 million, per year.

New Mexico has also implemented the Early Childhood Trust Fund to further ensure sustainable funding.

These new funds are still getting out the door, but already research is showing the benefits for families and providers.

That includes early results from research done by the Cradle to Career Policy Institute at the University of New Mexico.

They've found that the early childhood education expansion in New Mexico is making it possible for parents to return to the careers they had put on hold in order to stay home with their children.

Some are starting their own businesses, or returning to school, or putting the savings towards buying a house.

Parents are reporting less stress and better mental health.

And this is helping providers too. 43% of child care providers were able to increase staff wages, 63% were able to improve facilities, and 59% report increased quality of care.

When all is said and done, nearly all families in New Mexico will ultimately have access to free child care and early education, helping them to cover other important expenses and invest in their futures.

For families in New Mexico with infants in center-based care, these savings would cover over seven months of the median rent, or over half of the average down payment on a house.

That's life-changing for families. And our economy – now and into the future.

At the federal level, we are far from the standard New Mexico has set.

But we have made good investments in federal tax credits and programs that help families recoup certain child care expenses.

Programs like the Child Tax Credit, the Child and Dependent Care Credit, and the Child Care and Development Block Grant allow families to offset or subsidize the costs of raising a child.

The Biden administration is also doing its part — passing a landmark executive order supporting the care economy last year, and taking important steps to boost wages for Head Start workers and cut the cost of on-base child care for military families.

And certain grants from the CHIPS Act require recipients to show how they'll provide child care to their workers, making sure that our investments in new manufacturing don't leave parents behind.

Treasury Secretary Yellen has described the child care market as a textbook case of a broken market. I agree.

But if we can build momentum, we can get this market working – all while helping get parents back to work, too.

I'm looking forward to hearing more from our witnesses today about how investing in early childhood education can help the United States boost labor force participation and invest in future generations.

I will now turn to Vice Chairman Schweikert for his opening statement.