

**Legislative Hearing on Universal Paid Leave and
Guaranteed Access to Child Care**

HEARING

BEFORE THE

SUBCOMMITTEE ON WORKER AND FAMILY SUPPORT

OF THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

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HOUSE COMMITTEE ON WAYS & MEANS
CHAIRMAN RICHARD E. NEAL

ADVISORY

**FROM THE COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON WORKER AND FAMILY SUPPORT**

FOR IMMEDIATE RELEASE

CONTACT: (202) 225-3625

May 20, 2021

No. WF-3

Chair Davis Announces a Legislative Subcommittee Hearing on Universal Paid Leave and Guaranteed Access to Child Care

House Ways and Means Worker and Family Support Subcommittee Chair Danny K. Davis announced today that the Subcommittee will hold a hearing, titled “Legislative Hearing on Universal Paid Leave and Guaranteed Access to Child Care,” on Thursday, May 27, 2021 at 10:00 AM EDT.

This hearing will take place remotely via Cisco Webex video conferencing. Members of the public may view the hearing via live webcast available at www.waysandmeans.house.gov. The webcast will not be available until the hearing starts.

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. Please indicate in the subject line of your e-mail the title of the hearing for which you wish to submit testimony. **ATTACH** your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Thursday, June 10, 2021**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but reserves the right to format it according to guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any

submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you require special accommodations, please call (202) 225-3625 in advance of the event (four business days' notice is requested). Questions regarding special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>

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The subcommittee met, pursuant to call, at 10:02 a.m., via Webex, Hon. Danny Davis [chairman of the subcommittee] presiding.

Chairman Davis. The subcommittee will come to order.

Thank you to the ranking member and all members of the subcommittee for joining me today to hold a hearing discussing the Building an Economy for Families Act discussion draft.

At our full committee hearing last month, we heard directly from five women about the possible choices they face every day. Their stories represent so many families across the country struggling to find and afford childcare, lacking paid leave to bond with a new

child, care for a loved one, or cope with a serious medical issue, and being trapped in low-paid work to accommodate their family responsibilities. They are doing their best, but they are exhausted and scared and financially fragile. We owe them better.

This problem is not new. Although the pandemic has spotlighted it, the United States does not guarantee childcare. It is the only industrialized Nation that does not provide paid leave to new parents, and one of only two that does not ensure that workers dealing with serious illnesses can take paid leave. And we pay the price in lower workforce participation and greater inequality.

Critics sometimes disparage universal benefit access as one size fits all or involuntary. But really, universal benefits recognize the essential nature of the benefits. Paid leave fits all of us, guaranteed childcare fits all of us, all workers, businesses, and a strong economy. The pandemic made crystal clear that the current patchwork system leaves most of us out and harms our economy by removing millions of workers from their labor force and hundreds of millions in earnings.

Universal benefits are not a gamble or a whim. We have the benefit of decades of research from State and international implementation that comprehensive protections do not overly burden businesses. They remove burdens from workers and families, which strengthens businesses, workers, and the economy.

These struggles are personal for me because the people I represent are disproportionately among those left out. These workers are Black, Latinx, which means that 80 percent more likely they are to be unable to take leave when they need to care for others or for themselves. Black women work and use paid childcare at higher rates than other groups, but they earn less, so they struggle to pay the bills.

These workers are poor, in part because their need for caregiving flexibility forces single parents and grandparent caregivers into lower paid work and part-time schedules

that lack paid leave. About one-third of highly paid workers get paid leave from their employers, but only 8 percent of the lowest paid workers do. Clearly, the current system isn't working.

Further, poor communities like mine are disproportionately likely to be childcare deserts or places where there are more than three young children for every available childcare slot.

We have reached a crossroads. As we rebuild our economy we must decide whether to advance an economy that works for all types of families or to continue an economy that makes it impossible for most workers to earn a decent wage while also caring for their family.

Democrats on the Ways and Means Committee have made our choice. Last month, we published a discussion draft of the Building an Economy for Families Act that lays out our plan to invest in childcare, provide universal paid family and medical leave, and sharply reduce child poverty. We asked for ideas and feedback on how to make our plan even stronger.

Today, we have invited any Member of the House with a plan to testify before us, and we have invited a panel of experts to advise us about the most effective ways to solve these problems for all workers right now.

I understand that my Republican colleagues on the committee have just offered some proposals in this area as well, and I look forward to reviewing them and discussing them in the future.

Also, I look forward to hearing from our Members and expert witnesses, and I hope that all my colleagues will join me in taking action to truly support all workers and all families across the United States.

And with that, I will now recognize the ranking member, Mrs. Walorski, for an

opening statement.

Mrs. Walorski. Thank you so much, Mr. Chairman Davis. And thank you to all of our witnesses for joining us today.

Republicans are ready to work with Democrats to find common ground on an issue everyone can agree on: improving the lives of working families. Both sides agree we need to have smart profamily, progrowth policies that improve access to both childcare and paid leave benefits. We all know working families face many obstacles in balancing the demands of work with their needs at home. The question is, how do we solve these challenges?

Chairman Neal's proposal, the Building an Economy for Families Act, is the right intention but the wrong direction for working families for this country. Democrats' vision for paid family and medical leave is a one-size-fits-all Federal program that treats every worker and family situation the same, while making the IRS the benefits manager.

The bill also includes massive new spending for childcare, with no regard for the \$50 billion that was just invested. To justify this new childcare spending, Democrats are bending over backwards to push the narrative that lack of childcare, not prolonged unemployment benefits, is the driving force behind the worker shortage that is threatening our economic recovery. This is simply not the case.

A new study by the former chair of President Obama's Council of Economic Advisers found that childcare challenges are not the driver of continuing low employment levels and that, quote, differential job loss among parents or even mothers specifically accounts for a negligible share of aggregate job loss. In fact, overall, employment rates among parents of young children have declined by 4.5 percent, compared with the 5.2 percent decline among those who are not parents of young children.

Mr. Chairman, I ask unanimous consent to submit today this study from the

Peterson Institute for International Economics for the record.

Chairman Davis. So ordered.

[[The information follows:](#)]

Mrs. Walorski. Working families need good jobs, growing paychecks, access to affordable childcare, and paid leave that works for them. Small businesses want to provide benefits that help their workers thrive, but the last thing we need in this post-COVID world is tax hikes, job-killing mandates, government-run paid leave, and nationalized childcare. These are not the solutions working families deserve.

That is why, today, committee Republicans released a commonsense alternative with flexible solutions that working families can count on. Our discussion draft, the Protecting Worker Paychecks and Family Choice Act, would ensure more Americans have access to family leave and childcare that meets their needs, flexibility, and that suits their workplaces.

Republicans created paid family and medical leave benefits in the Tax Cuts and Jobs Act. Our discussion draft expands this to be more inclusive for small employers, improves flexibility for families using dependent care of flexible savings accounts, creates new family savings accounts, and paves the way for pooling and cost sharing for small businesses, all of which strengthen choice and lower costs.

Rather than a one-size-fits-all approach, under our proposal, parents get to choose the childcare that best fits their children's needs, and targets existing funding to States with higher concentrations of children in poverty.

Finally, our proposal expands childcare and paid leave by targeting where we know there are gaps in coverage, including low-income families and low-wage workers, who are least likely to receive paid leave benefits through their employers. And it empowers job creators by relying on proven policies that give workers in the 21st century flexibility at their jobs.

It would be foolish for us not to recognize the gains that families achieved in the

strong pre-COVID economy under the Trump administration. Restoring that tremendous economic growth will be critical to addressing these issues. A strong job market supports wage growth, strikes competition, and leaves businesses of all sizes to offer more generous benefit packages to attract and retain workers, including with programs like family leave and childcare. These are important parts of the broad spectrum of solutions needed to support America's families in raising the next generation.

Mr. Chairman, I am proud of our record of working together on important policies that I can think of few things more important than supporting American families. Members of this committee have an opportunity to work together to make it easier to balance the competing demands of work and family life. The Protecting Worker Paychecks and Family Choice Act is a sound place to start. If we do it right, we can allow moms and dads to pursue their careers, while building strong and thriving families.

With that, I yield back.

Chairman Davis. Thank you, Representative Walorski.

Without objection, all members' opening statements will be made a part of record.

And now, I will turn to our witnesses. We have two distinguished panel of witnesses here with us today. We will begin with our Member panel and then move to our panel of experts.

On the first panel, I have the honor of welcoming three of our esteemed colleagues. First, we will have Representative Rosa DeLauro from the Third District of Connecticut. Representative DeLauro is the sponsor of the FAMILY Act.

Next, we have assistant speaker Katherine Clark from the Fifth District of Massachusetts. Representative Clark is the sponsor of the Childcare is Infrastructure Act.

And finally, we have Representative Ashley Hinson from the First District of Iowa. She is the sponsor of the Childcare Act.

And with that, Ms. DeLauro, you may proceed.

**STATEMENT OF THE HON. ROSA L. DELAURO, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CONNECTICUT**

Ms. DeLauro. Thank you so much, Mr. Chairman. And thank you for holding this hearing and for all the work that you are doing on behalf of working families. I appreciate this opportunity to testify this morning.

And to Ranking Member Jackie Walorski, thank you for welcoming me here today.

The focus of today's hearing on access to universal paid leave and guaranteed access to childcare has been at the center of my fight for working families throughout my career, and I am proud to be working closely with your committee on these ideals.

The Building an Economy for Families Act reflects the heart of the FAMILY Act, legislation I have introduced for nearly a decade, to create a comprehensive national program that helps meet the needs of new mothers and fathers and people with serious personal or family health issues.

Despite all the years that have passed since we started working on the FAMILY Act, the United States remains the only industrialized Nation with no paid family leave. This is simply unacceptable. But today, I am pleased that paid leave is finally at the center of our public discourse. We are at an exciting moment where there are willing partners in the administration committed to making this happen.

Despite being an issue for decades prior, Congress did not pass the Family and Medical Leave Act until 1993. This landmark law granted certain categories of women and men up to 12 weeks of unpaid job protected leave. But as we always knew, that legislation was a starting point, not a destination. And now, the chairman of the full committee, Congressman Neal, and the subcommittee chairman, Congressman Danny

Davis, have taken this issue to the forefront of the agenda on the Ways and Means Committee, and we continue to make real progress towards making paid leave finally a reality.

The Building and Economy for Families Act demonstrates the committee's commitment to enact permanent, comprehensive, and inclusive paid family and medical leave. The biggest economic challenge of our time is that peoples' pay is not keeping up with the skyrocketing costs. Few can afford to lose several weeks' worth of wages, whether it is for a loved one who has fallen ill, or for themselves, or for the birth of a child. It pushes them over the edge. And now for more than a year, we have faced a new challenge, a global pandemic that created the greatest public health and economic crisis in a generation.

Women and communities of color have been disproportionately impacted by this crisis, forced to make the impossible decision between caring for their families or their families -- themselves or their families and earning a paycheck. But let us be clear, these women are not opting out of the workforce, they are being pushed out by inadequate policies. Our economy will never thrive if women and people of color are not fully represented in the workforce, and that cannot be done without a strong paid leave program.

If we care about getting women back into the workforce, we cannot pass physical infrastructure alone. We must also pass the American Families Plan, including the Building an Economy for Families Act, to invest in and build our social infrastructure and the care economy.

Like so many across this country, this is an issue that is very personal to me. In 1986, I was diagnosed with ovarian cancer. I was working for Senator Christopher Dodd. I went to him on a Thursday and told him I would be hospitalized on Sunday, and also said to him that I did not know whether or not I was ever coming back. What did the Senator

say to me? He said, and I quote, Rosa, go get well, no matter how long it takes. You are still my chief of staff. You do not have to worry about your paycheck.

I was a staff member with three kids in school, and we were concerned about how we were going to be able to make it. And with the support of my family and friends and, yes, my employer, by the grace of God and biomedical research, I recovered and I have been cancer free for over 30 years.

Three years ago, my mother, at age 103, was dying. And I got to spend every day and every night by her side for 6 weeks. No one told me as a Member of Congress that I would not receive a salary. No one told me that my job would not be waiting for me. It was a blessing, a blessing that cannot be there just for staffers or for Members of Congress.

The United States needs a national paid family leave policy and we need it now. Paid leave is no longer a fringe policy position or a great nice-to-have policy. It is a lifeline, which is why, in March, more than 250 businesses, brands, and executives from across the country sent a letter urging Congress to establish permanent paid family and medical leave. And in 2020, despite political affiliation, polling showed that 75 percent of voters would support a national paid family and medical leave policy that covers all workers.

We can build the architecture for the future, but without a permanent paid leave solution, workers are at risk of losing their livelihoods, and our economic recovery is at risk of stalling. Now is the time.

And thank you very much for allowing me to be here this morning to testify.

Chairman Davis. Thank you, Ms. DeLauro.

Ms. Clark, you may now proceed.

**STATEMENT OF THE HON. KATHERINE M. CLARK, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF MASSACHUSETTS**

Ms. Clark. Thank you, Chairman Davis, Ranking Member Walorski, and to all the members of the subcommittee for having me here today. I am grateful to partner with you to ensure that every child and every family in our country has a fair shot at success, and childcare is a critical piece of building a more inclusive and robust economy.

I would also like to thank the hardworking subcommittee staff, Morna and Kimberley, for their partnership and for all the work on behalf of the American people.

This pandemic has brought devastation to our country and to the world, and it has uncovered disparities that have long persisted. Today, I want to talk about the state of women in our economy and how we can rebuild a more just economy for all of us.

Fourteen months into the pandemic, here is where we are: Women have hit a 33-year low in workforce participation. Over 2 million women, including 1 million moms, have been pushed out of employment. While we are making gains against COVID-19, the recent April jobs report showed that women are struggling to return to the workforce. Throughout the pandemic, women have been more likely than men to lose their jobs. In December, every single job loss belonged to a woman.

The devastation to women's workforce participation and economic power can be traced directly back to the fragility of our care system. We know that, for too long, we have failed to invest in the infrastructure needed to allow women to participate and thrive

in the economy. Without affordable accessible childcare, national paid family leave and pay equity, families have long struggled to get by and get ahead. And the impacts of this situation reverberate across our economy.

Right now, millions of Americans can't find and afford quality care. In many States, the cost of childcare is equivalent to a month's rent or mortgage. Senior care often eats up a family's entire savings. And many families live in what Chairman Davis described as a childcare desert. All of this adds up to working parents, and especially moms, being forced to leave their jobs to take on more responsibilities at home.

Meanwhile, we know that 91 percent of the income gains experienced by middle-class families over the last 40 years were driven by women's earnings. But even with targeted support, women's employment may not recover to prepandemic levels until 2024, and that loss for families is enormous.

In addition, like so many challenges we face, it is communities of color that are being hit the hardest. The inaccessibility of childcare is furthering racial inequity in our country.

A study by the Center for American Progress shows Black parents who have problems finding childcare quit their jobs, do not take employment, or change their work at a rate double that of White parents. Meanwhile, women of color make up the majority of our paid care workforce, from early educators to home care aides. These women make minimum wage with few benefits, often preventing them from providing for their own families. And throughout the pandemic, care workers have been forced to choose between going to work and risking their own safety or leaving their families without basic needs met.

But investing in childcare isn't just about today's bottom line, but also our future success. Quality childcare can help close the achievement gap between children of

different economic backgrounds, promoting equity for generations. The fact is, failure to invest in affordable childcare handicaps all of us. American businesses lose approximately \$13 billion annually due to employees' challenges finding affordable quality care. And it is simple math. For every dollar invested in high-quality early education, we gain over \$7 in economic returns. We simply cannot afford not to invest.

My legislation, the Child Care Infrastructure, is included in the Building an Economy for Families Act. It would establish a grant program at the Department of Health and Human Services for States and territories to invest in the physical infrastructure of childcare facilities. It would also allow the Secretary of HHS to award competitive grants that would develop or finance childcare facilities and allow States to conduct an analysis of their childcare infrastructure to better understand the impact of the pandemic and ongoing requirements.

We need to build an economy that is based on families first. I know, we know, what it will take. And with the legislation before us, we have the foundation to create a more prosperous and fair country.

Thank you for your work and your partnership and allowing me to testify today.

Chairman Davis. Thank you, Ms. Clark.

Mrs. Hinson, you may now proceed.

**STATEMENT OF THE HON. ASHLEY HINSON, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF IOWA**

Mrs. Hinson. Thank you, Mr. Chair, Ranking Member Walorski, and members of the subcommittee, for allowing me to come and testify. I really appreciate the opportunity to talk with you today about an issue that is so crucial to Iowans, to all Americans, and to working women in particular, as we have heard from several of the witnesses already today.

Safe, affordable childcare is essential. And I look forward to working with all members of this committee to help increase access to childcare for working Americans.

As a working mom myself, mom to two boys -- Max is 10 and Jax who is 8 -- I know exactly what it means to balance a full-time job so that I can provide for my family while actually trying to raise that family at the same time. It is no easy feat for a working mom to juggle those demands. I attended a virtual parent-teacher conference and then ran to the floor for votes at the Capitol. So you just have to figure out how to multitask. And just the other day, I was getting ready to do an interview over Zoom. The pot of mac and cheese I had just made for Max was just out of the frame of the camera. So I am trying to make sure my boys are healthy and happy, get on the bus on time, whether that is from my kitchen or from the U.S. Capitol. And I can only do this because I have an incredible support system, including my wonderful husband Matt and the boys' grandparents.

And I can manage this because my boys are also finally in school again. So it was

definitely harder when I was a news reporter and they were still very little.

But it is clear to me that women bear the brunt of childcare responsibility. And that means that it is usually women who end up leaving the workforce if they can't access it. Sometimes it is a choice that moms are making. That is great, if that is the choice. But too often, it isn't a choice. Leaving the workforce is a requirement for moms because they don't have that safe, reliable, affordable access to childcare.

And right now, we are in the middle of a she-cession. The pandemic has forced countless women out of the workforce to tend to their kids, raise their children while schools remain closed. And these same women are the ones having the hardest time reentering the workforce.

This sheds light to me on an even bigger problem, which is that when women leave the workforce for an extended period of time, they face an uphill battle to reenter it. And this disproportionately affects women with families in rural areas.

One of the biggest challenges facing women who want to actually stay in the workforce following a maternity leave is finding that reliable, safe, affordable childcare. So we have to look at the root causes of the problem. What is it that makes that childcare so hard to access? And the answer is pretty simple -- childcare centers are few and far between. The wait lists are long, and costs are through the roof. Even if you can find a slot, chances are high you can't necessarily afford it.

So that drove me to look a little bit deeper. And what I found are not only are those childcare options few in number, but that centers are closing with alarming frequency. Prices aren't going down, they are going up. And the primary driver appears to be, in many cases, overburdensome regulations that are not necessarily focused on kid safety, but that do drive up overall operating costs.

So that means centers really have two choices: you can either lose money or you

can raise prices. And that makes childcare unsustainable for small business owners and inaccessible for parents.

So I would like to share with you today some of the most problematic rules that are being pushed by State regulators. Some States require daycare providers to have college credit or even require a bachelor's degree to work at a daycare. Others have a laundry list of toys that aren't deemed stimulating enough for children.

So let's be real here. This is right, some places are banning toys, not based on safety, but whether or not someone thinks they are useful for more than playtime. Those are burdensome, unnecessary standards for childcare providers to meet, and they increase the cost of doing business, resulting in fewer local providers and lost job opportunities.

So my bill, the Childcare Accessibility Report and Evaluation Act, or the Child CARE Act, would help reduce the cost of childcare, give parents more control over their kids' care, and boost access to childcare options by fostering a regulatory environment in which childcare centers can thrive.

In the end, overburdensome regulations restrict that access to childcare, especially for lower income and rural families. New moms are kept out of the workforce by shrinking pools of available care, long wait lists, and unaffordable rates.

The Child CARE Act aims to reverse this troubling trend. It is simple. It would direct the Secretary of Health and Human Services to submit a report to Congress analyzing the effects of State regulations on affordability and accessibility of childcare. That is all.

But we need that data so Congress can make informed decisions about where the regulatory patchwork is causing trouble, and then we need to reverse course. The data could be used to incentivize States to make responsible decisions about childcare standards, like my own State of Iowa, which focuses on safety and access, while

encouraging overregulating States to change their methods and improve access at the same time.

So I think we can all agree we need more childcare options, we need to get women back in the workforce, and that cannot happen without improving that important access to childcare.

With that, I thank you again for the opportunity to come before you and testify. And I urge your support for the Child CARE Act. And I welcome your questions. But again, thank you, Mr. Chair.

Chairman Davis. Thanks to each of you for your testimony today. Out of respect for your busy schedules and consistent with past practice, we will not ask you to stay for questioning. I appreciate your taking the time to appear before us today, and I look forward to continuing the conversation. So thank you all so much.

And we will now move to our second panel.

First, I would like to welcome Nina Perez, the national director of early learning at MomsRising. She is an advocate for moms, and works to promote the importance of universal paid family and medical leave and access to childcare.

Next, I would like to welcome Mr. Michael Rothman, co-founder and CEO of Fatherly, which is a website that recognizes the importance of fathers' involvement in childcare and works to provide them with resources.

Third, Dr. Lee Savio Beers joins us. She is the current president of the American Academy of Pediatrics, and will help us understand the importance of paid leave and childcare for children's health and development.

Next, we have Ms. Jocelyn Frye, a senior fellow at the Center for American Progress. She will help us understand how paid family and medical leave can level the playing field for all workers and how we can support equity in the workforce.

And finally, we have Ms. Elizabeth Milito, senior executive counsel at the National Federation of Independent Businesses, Small Business Legal Center.

Each of your statements will be made a part of the record in its entirety. I would ask that you summarize your testimony in 5 minutes or less. To help you with that time, there is a clock that should be in view on your Webex platform.

And now, Ms. Perez, would you please begin.

**STATEMENT OF NINA PEREZ, NATIONAL DIRECTOR OF EARLY
LEARNING AT MOMSRISING, SILVER SPRING, MD**

Ms. Perez. Thank you, Chairman Davis and Ranking Member Walorski, as well as members of the Worker & Family Support Ways and Means Subcommittee for the opportunity to testify.

I am Nina Perez. I am the national director of early learning at MomsRising, an organization with more than a million members working to increase family economic security, decrease discrimination, and build a Nation where everyone can thrive.

In my role at MomsRising, I have had the incredible honor of partnering with other mothers and caregivers to demand that all families have access to a comprehensive care infrastructure, including high-quality, affordable childcare, and paid family medical leave.

The issue of childcare is deeply personal to me. My own mother was pushed out of the workforce because she couldn't find affordable childcare. And in the last 2 years, sacrificed herself again by moving away from the community she had lived in for over 50 years to care for my daughter when I was unable to find childcare. So for two generations, our childcare system has failed my family. And that was before the pandemic.

When COVID-19 hit, like so many others, we lost our childcare for close to a year in order to keep my parents safe until vaccines rolled out. To say that it was a struggle is a massive understatement. And my family was lucky, lucky that our employers were flexible and lucky that Congress enacted the emergency pandemic leave program.

But the challenges mothers share with us at MomsRising paint a vivid, disturbing picture of the harm caused by decades of underinvestment in our childcare infrastructure.

Moms like Amanda, a MomsRising member in New Hampshire, who has a 5-year-old daughter and 3-year-old son with special needs. When the pandemic hit, her childcare program closed and her son lost access to in-person therapies and services, dramatically increasing Amanda's caregiving responsibilities and her stress. Her employer was not accommodating and she was forced to leave her job of 13 years that she loved in order to meet her kids' needs.

Amanda is not alone. One recent study finds that one in three caregivers report being forced to reduce hours or leave the workforce all together because of childcare, with Black, indigenous and women and moms of color affected the most. To put this in perspective, women were half of our paid labor force at the start of the pandemic, but now workforce participation for women has plummeted to 1988 levels. These were much needed jobs.

Women in the United States are key breadwinners in most families. Even before the pandemic, mothers like Whitney in Washington State told us that she desperately needed childcare for her 5-year-old daughter and infant son but couldn't find or afford it. She and her husband made it work by working opposite shifts. And while a shortage of licensed childcare in the United States is bad in general, a recent study from the Center of American Progress found that there is only enough licensed childcare to serve 23 percent of infants and toddlers like Whitney's son. That means there is not enough licensed childcare for 77 percent of our youngest kids.

We also hear from families like Whitney's that even finding the limited care options that exist is challenging and a huge mental strain, requiring hours and days of calls to providers, only to find out no slots are available or they have closed. Families deserve better.

And this is just part of the problem. While our childcare system has relied on

families paying unaffordable sums, the amazing early educators who care for children, many who are moms themselves, are being paid poverty level wages. Caregivers and early childhood educators deserve the respect and dignity for their valuable work. They deserve family supporting wages with benefits, like healthcare and paid family leave. They deserve fundamental work-related rights and protections. And the one out of five early childcare workers who are immigrants deserve a path to citizenship.

And by making childcare jobs sustainable, a robust childcare system will not only be job enabling but job creating. We also know that increasing wages leads to improved quality and continuity of care, which is so important to parents.

We know you recognize that it is not enough to build back to what we used to have. We need to build back better.

The pandemic has shown what mothers across the Nation already knew: The childcare crisis is a structural problem that needs solutions like those proposed in the Building an Economy for Families Act, including measures to expand families' access to high-quality, affordable childcare, with a significant increase in mandatory funding; additional targeted funding for childcare facilities to build a much needed supply; an increase in wages for childcare providers; a childcare information network to help families find childcare; and the enactment of a paid family medical leave program, which is so critical to early childhood.

We look forward to working with you on the Building an Economy for Families Act and on putting our country on the path toward a just recovery by building the kind of care infrastructure that is so critical to families, communities, and our economy.

Thank you.

Chairman Davis. Thank you, Ms. Perez.

Mr. Rothman, you may now please begin.

**STATEMENT OF MICHAEL ROTHMAN, CO-FOUNDER AND CEO,
FATHERLY
NEW YORK, NY**

Mr. Rothman. Thank you, Chairman Davis, Ranking Member Walorski, and other distinguished members of the subcommittee. My name is Michael Rothman, and I am the co-founder of Fatherly, a digital media platform with a mission to empower men to raise great kids and lead more fulfilling adult lives. We launched in 2015 and produced an award-winning website, newsletters, podcast programming, books, and events. I am testifying today in my capacity as the co-founder of a small business and as an advocate for fathers.

Fatherly is a for-profit business, and I started the company because, as an entrepreneur, I saw an emerging opportunity. Men were assuming greater responsibilities for childcare and didn't have a resource that could credibly guide them in this new phase of life. While there was an abundance of resources for moms, the only content tailored to men caricatured their roles and failed to recognize how deeply their responsibility as fathers benefited children and defined their identity in both their public and private lives.

At our core, Fatherly understands that in an economy in which both parents are working, empowering men as caregivers is crucial. By giving men with kids access to tools and an active community, we aim to remove cultural stigmas around caregiving work.

One of the most important topics we have covered since the beginning has been the tensions, incongruities, and conflicts around worklife integration, which COVID-19 has both exposed and exacerbated. Not only have Fatherly's editors published hundreds of articles on the topic, the company has developed the definitive guides: the Best Places to Work for Dads, Best Places to Work for Moms, and the Best Places for Remote Working Parents, that highlight organizations that best cater to the needs of working families.

In formulating these lists, Fatherly evaluated companies' policies, benefits, utilization rates, and cultural practices across 142 points of criteria that we have developed over the last 5 years. What we found in our data aligns with academic research coming out of Boston College and Wharton, mainly, that company retention increases dramatically as a result of men taking parental leave. Per a Boston College study, 75 percent of respondents who have taken leave say they are more likely to remain with their current employer now that they offer paid leave.

Secondly, parental leave improves life and relationship satisfaction, which yields greater levels of productivity per worker upon their return.

While it is one thing for the editors to cover this, the leaders of the company knew that we internally also had to walk the walk. Early on in the company's history overseeing a digital media startup with only a roomful of employees, a question repeated in my mind, how devastating would it be if anyone here had to take 3 months off to have a kid? My answer was that the company had to put on its own oxygen mask first. We had to first survive if we are going to be able to serve. So we punted on implementing sound family-friendly policy, and instead, rested on the notion that, hey, we are a startup, it is bound to be all hands on deck for a while.

This proved to be shortsighted. Repeatedly, we lost out on great midcareer level talent to other companies who embraced the flexibility that parents of young kids need. It

didn't matter how much cold brew coffee we had on tap, we stunted the company's growth by not embracing the benefits that parents actually need to do their best work.

We learned from those earlier mistakes. And when we as a company merged with Some Spider Studios in March of last year, we brought those lessons with us. We knew that to grow and compete with the best companies, we needed to draw and retain the best talent. So over the last year, we deliberately rolled out new policies and practices across the current company to address our gaps.

One, gender-neutral parental leave, previously was 4 months for birthing mothers and 4 weeks for fathers. Now it is 4 months for moms, dads, nonbirthing, and adoptive parents. Two, affinity groups for new parents who can share resources, best practices, and generally keep management better informed to make sure that we remain a great place to work for employees with kids. Three, cementing a families-first company culture, encouraging managers in leadership to publicly take full advantage of these new policies and model that behavior for the rest of the company. This includes normalizing kids on Zoom or Webex so employees without childcare options don't feel vilified if they have to do double duty.

The process to live up to our own best places to work requirements took about 4 months and established the idea of an ongoing conversation with leadership and HR around how we are treating employees with kids. The sentiments at our own company reflect the broader mood of the country in which 80 percent of fathers say they would like to spend more time with their kids to make better use of the 940 weekends that they have between the time the child is born and the time their child turns 18.

A national paid family medical leave policy would allow businesses to compete for the best talent, not just in the U.S., but an increasingly global labor market, making sure you don't have to work at a parenting company just to have access to benefits that are

standard across the rest of the industrialized world.

Thank you.

Chairman Davis. Thank you, Mr. Rothman.

Dr. Beers, would you please begin.

**STATEMENT OF LEE SAVIO BEERS, MD, FAAP, PRESIDENT, AMERICAN
ACADEMY OF PEDIATRICS, WASHINGTON, DC**

Dr. Beers. Yes. Thank you.

Good morning, Chairman Davis, Ranking Member Walorski, and distinguished members of the Worker & Family Support Subcommittee. My name is Dr. Lee Savio Beers, and I am here today as the president of the American Academy of Pediatrics.

As a pediatrician, I personally see how our current inability to provide paid leave and affordable, high-quality childcare to all families causes unnecessary health harms. I am here today because I have a patient whose mother needed rent money so badly that she returned to work without fully recovering from childbirth. Instead of healing and bonding with her baby, she ended up readmitted to the hospital with avoidable complications.

I am here today because I have a patient whose employer pressured her to work while her 4-month-old baby was hospitalized for serious illness. Instead of being by her baby's side during this very vulnerable time, she developed postpartum depression and struggled in keeping up on her baby's follow-up care.

I am here today because countless parents of my patients have had no choice but to turn down good jobs that they worked so hard to get because they had no access to affordable childcare.

Thankfully, I am also here today because I and my 67,000 pediatrician colleagues across the country see reason for hope. These are not insurmountable challenges. We

can fix them with the types of paid leave and childcare policies I am here to discuss today.

The AAP supports the expedient enactment of a comprehensive Federal paid family and medical leave policy, because we know it will significantly benefit child and family health. Paid leave supports parents in creating the safe, stable, nurturing relationships, and parenting practices that promote optimal infant health and development. It leads to higher rates of vaccination and breastfeeding, and lower rates of postpartum depression.

When a parent needs time off work to care for their child themselves or an aging relative, paid leave protects the family from poverty and food insecurity, both of which harm child health. This policy can also reduce health disparities by addressing the current racial and economic inequities that exist in access to paid leave.

The organization I represent also practices its values in how we provide benefits for our over 500 AAP staff, with comprehensive and fully paid parental, sick, and medical leave. And I am also grateful that my own employer, Children's National, has embraced implementation of D.C.'s paid leave law. Children's provides benefits on top of what the law offers so employees have more time off to care for their family's unique needs.

The AAP appreciates that the Ways and Means Committee, Chairman Neal's recent proposal, the Building an Economy for Families Act, advances this vital policy conversation by offering a serious paid leave proposal that would provide paid leave for all U.S. workers. This proposal is based on the AAP-endorsed FAMILY Act, championed for many years by Representative DeLauro from whom we just heard. I am encouraged by these discussions and look forward to working with you all to enact a comprehensive policy.

I also would like to talk about why safe, affordable, high-quality childcare is so vital for children's health and development. High-quality caregiving has demonstrated beneficial impacts on lifelong health, developmental, and economic outcomes. It can

counteract the challenges children from low-income families face and support their long-term thriving.

Here in Washington, D.C., I have been involved with efforts to support early childhood development for almost my entire career. I am currently the codirector of the Early Childhood Innovation Network, which aims to decrease the impact of trauma and adversity on young children and their families.

I still remember seeing a family in my clinic who told me about the transformational impact a parent mindfulness and support group at her son's childcare center had had on their lives. What she didn't know when she was telling me was that it was a program that my team ran in partnership with her son's center.

Quality care is so much more than just a place for a child to go during the day. We applaud Congress for its ongoing bipartisan work expanding affordable, high-quality childcare access. But for too many families, such care is still out of reach. Now is the moment for Congress to enact a comprehensive paid family and medical leave policy and to ensure all families can access affordable, high-quality childcare.

Thank you so much. And I look forward to your questions.

Chairman Davis. Thank you, Dr. Beers.

Ms. Frye, would you please begin.

**STATEMENT OF JOCELYN C. FRYE, SENIOR FELLOW, CENTER FOR
AMERICAN PROGRESS, WASHINGTON, DC**

Ms. Frye. Thank you, Chairman Davis, Ranking Member Walorski, members of the subcommittee, for inviting me to be here today. My name is Jocelyn Frye, and I am a senior fellow at the Center for American Progress. The Center is a nonpartisan think tank. We are committed to improving the lives of all Americans through intentional action, bold and progressive ideas, and strong leadership.

Over the course of the last decade, CAP has issued over a hundred reports, columns, and briefs to build the economic case for strong policies that support working families as they try to fulfill their work and family obligations. We are very clear that enacting a comprehensive national paid family and medical leave program is a critical step forward for families, and it is long overdue.

The pandemic, as you all know, wreaked havoc on our economy, with women, especially women of color, bearing the brunt of the pandemic's effects. And their experiences must be the center of the policy conversation about -- and the choices that we are going to make going forward.

We know that the pandemic fueled two competing narratives for women: one for those who lost jobs and the other for those who continue to work. Among those who lost jobs, between February 2020 and April 2021, women lost an estimated 4.5 million jobs, almost 900,000 more than men. Women's unemployment rates skyrocketed, with the

highest rates for women of color. For women who continue to work, many of those women were essential workers, and many of them in low-paying jobs that lack the benefits that they needed to address work and family needs, like paid sick leave and paid family leave.

Women will not regain the economic ground that they have lost if we don't learn from the pandemic's lessons. The lack of strong work-family policies has already left many families on their own before the pandemic, and that will continue to be the case until we chart a new course.

We believe that there is an effective paid -- that there are factors that go into an effective paid family and medical leave program. It must be inclusive to cover the number of workers in a wide variety of work arrangements: part time, full time, nonstandard. It must cover the full range of purposes, because the need for leave extends across the life spectrum. It must extend leave of sufficient duration and with sufficient flexibility so that workers can address all sorts of illness and caregiving needs. It must ensure that workers have the ability to provide care to families and individuals in their family who they consider to be part of their family, even if they are not related by blood or do not conform to an expected family structure. It must provide for a sufficient wage replacement so that workers can afford to actually take the leave. And it must ensure that there are no adverse consequences if a worker work takes leave, and protect against discrimination, including gender and race-based stereotypes, about caregiving and care workers. It must provide for a mandatory program to ensure that as many works as possible have access to paid family leave.

All of these elements are critical. Our sole solutions or half measures that cherry-pick which problems to address will do little to meet the needs of workers.

There are also other considerations that will be important for the committee to look

at in terms of how to create a workable program: Investing in a robust infrastructure that can actually deliver a paid leave benefit, balancing the cost of doing nothing versus making the critical investments now that are so essential. Our research has shown, for example, that the lack of paid family and medical leave has led to loss of wages in the amount of \$22.5 billion per year because of workers' reduced hours.

Creating an effective enforcement scheme to monitor fairness and ensure that the benefits are extended fairly. Establishing a clear baseline of protections, coordinating with States and employers, all of those things will be important factors to look at to make a program workable.

Importantly, Chairman Neal has put forward a discussion draft. It achieves many of the objectives and parameters that I raised. In particular, it would create a family leave benefit for 12 weeks. It would provide for a progressive wage replacement so that lower income employees could get higher amounts of income support. It includes an expanded family definition, and it also would invest in a robust infrastructure.

In conclusion, comprehensive paid family and medical level is essential to enabling women, and indeed all workers, to fulfill their work and family obligations. It is essential to the economic well-being of families, and it is essential to our Nation's economic recovery. It is an investment that represents a much needed step forward.

Thank you.

Chairman Davis. Thank you, Ms. Frye.

Ms. Milito, would you please begin.

**STATEMENT OF ELIZABETH MILITO, SENIOR EXECUTIVE COUNSEL,
NATIONAL FEDERATION OF INDEPENDENT BUSINESS, WASHINGTON, DC**

Ms. Milito. Thank you, Chairman Davis and Ranking Member Walorski, for inviting me to testify today. I also thank all the committee members and their staff who are in attendance.

My name is Beth Milito, and I am attorney in the National Federation of Independent Business, Small Business Legal Center. NFIB is a member-driven organization that represents about 300,000 small and independent businesses across the country.

Small businesses employ nearly half the country's private sector workforce. Consider the very types of small businesses you all frequent: the restaurant, an auto shop, dry cleaner, and hair salon. Some have employees that are strictly full time, others strictly part time or hourly, some have both. These are typical NFIB members who employ 5 to 10 employees. Only about 12 percent has a human resource professional. The business owner or spouse is often the HR point person, and over 50 percent still do their payroll in-house.

I describe NFIB's membership to illustrate one of the key points of my testimony today: There is no such thing as a one-size-fits-all policy that works for every business or every industry. I understand the good intentions behind the various proposals that mandate leave, but NFIB's members have long opposed leave requirements for two

reasons: inflexibility and cost.

First, innovation and flexibility are critical to small business survival. The COVID-19 pandemic showcased small firms that thrive by innovating, pivoting, and adapting to new circumstances. Small firms depend on flexibility, not only to boost sales and manage business operations, but to establish employee benefits, which often includes paid time off. The majority of small businesses provide flexible, mutually beneficial arrangements that allow employees time off when necessary in a fiscally responsible way.

Small business owners recognize the value of providing paid leave to employees. After all, small business owners are parents and caregivers themselves, and they need to bid for and retain talent just like large corporations. So to the extent they can, small businesses provide paid leave voluntarily to remain competitive and attract and retain talent.

Currently, finding qualified workers is the number one cited problem for small business owners, surpassing taxes and regulations. And one of the primary ways in which small businesses attract and retain workers is by providing flexible leave policies that fit the needs of their employees and their businesses.

Consider the following statement from a business owner. Quote: Our business, like most small businesses, already covers sick days and family emergencies with some type of compensation. This usually means the owners work more hours so payroll costs remain static. As a business owner, I know that my most valuable asset are my employees, and I do all that I can to keep them happy.

To the extent that small firms do not offer paid leave, this reflects the reality that some small businesses simply cannot financially afford to offer this benefit. If you can only afford to give your workers 10 days of paid time off and the government mandates 5 days of paid sick leave, then your employees only have 5 days left for vacation.

This leads me to identify the second concern with leave mandates. Leave, paid or unpaid, is not a free benefit for employees. The unanswered question with a leave mandate is, who is going to pay? There is a cost for these proposals and not all businesses can absorb the cost. In a small business with a finite amount of resources, this means less money is available for wage increases, less money for health insurance, and less money to hire additional employees. It also means more time and money devoted to compliance and paperwork.

When one State considered a paid sick leave proposal a few years ago, the legislative record was replete with opposition from small businesses.

Consider this submission from a business owner: We compete in a world market and everything that State or the Federal Government does burdens us with more and more unfunded mandates that make us less competitive in world markets. So now I have fewer employees, and since there is not enough income after all my employment costs are met, I end up not getting paid anything for my family for all the work that I do. I could go on and on, but the bottom line is that we farmers don't make enough to subsidize all the wonderful benefits that you would like to see employees entitled to. I have workers asking for work and there is plenty for them to do, but at the high cost that the State requires me to pay, I have to limit the number that I can hire.

It may seem great to mandate more benefits to employees, but the hidden costs are fewer jobs. The small business economy is fragile right now, and adding a costly Federal mandate will only further hurt Main Street. Small businesses can and do offer support to their employees in their lives away from work. But unlike large businesses, small businesses do not have the cash reserves or the profit margins to absorb additional labor costs.

On behalf of the small business owners of NFIB, I want to thank you for inviting

me to appear before the committee.

Chairman Davis. Thank you, Ms. Milito.

We will now proceed under the 5-minute rule with questions for the witnesses.

And I will begin by recognizing myself.

Ms. Frye, we know that the current patchwork of paid leave coverage has failed people of color, leaving them disproportionately unable to take leave when they need it. And we also know that people of color often face more obstacles when they try to access benefits they are supposed to receive. The committee's discussion draft emphasizes equity and access to the Federal paid leave program included on the basis of race, ethnicity, national origin, gender, age, disability, gender identity, and sexual orientation.

Why is equity so important, and are there ways that this can be strengthened in the draft?

Ms. Frye. Well, thank you, Mr. Chairman. Your question I think is right on target. And I think one of the really valuable features of the discussion draft is that it includes a provision on equity and makes it a core policy and core principle of that draft.

I would say a couple of quick things. First off, if we just look at the data, we know that communities of color are less likely to have access to paid family leave. That is certainly true for Black and Hispanic workers. If you look at the lowest wage workers, only 5 percent have access to paid family leave, as opposed to higher income workers is closer to 40 percent. And we know low-wage workers are disproportionately people of color.

Even if we look at it regionally, the regions of the country that are least likely to have access to paid leave are the regions that have higher proportions of Black and Brown people. So there are a variety of reasons why it is important to make sure that equity is included in any bill that focuses on paid family leave.

What I would suggest about the provision that is there is that a way to build it out is to be pretty precise about what the expectations are with that provision, things like data collection, additional research and analysis, robust analysis of enforcement, who got access and who hasn't, outreach in education to diverse communities, being very specific of the expectations of the lawmakers in putting that provision in.

I also would suggest building out a robust enforcement scheme to make it clear about people's rights and their ability to access leave and provisions around nondiscrimination and nonretaliation. Those sorts of protections are really critically important.

RPTR GIORDANO

EDTR ZAMORA

[11:02 a.m.]

Chairman Davis. Thank you. Thank you very much.

Dr. Beers, I have long championed the idea that reducing child poverty is key to improving outcomes for children and families. In fact, I have introduced a bill establishing a national goal to cut child poverty in half the last several Congresses.

Dr. Beers, what would it mean for children in this country if we cut child poverty in half? And could you talk about how the Building an Economy for Families Act discussion draft would help us to achieve that goal?

Dr. Beers. Yes, absolutely. And thank you very much for that question.

And, you know, I agree poverty actually is one of the greatest drivers of child health and outcomes really across the board. It influences so many impacts on a child's health, things such as access to healthcare, access to safe and stable housing, access to a high-quality education, access to high-quality early development services.

And so to cut the rate of poverty -- child poverty in half would have an enormous impact on child health outcomes. And, in fact, we have certainly seen some studies where looking at kids who moved from one ZIP Code to another, their outcomes improved. And so this would have an enormous impact on the things that we care about around child health outcomes in the short and the long term.

I think this proposal helps address that in a couple of different ways. One, it really helps and supports parents and families in getting to work. You know, I can't tell you how many of my patients -- and I mentioned this, but I can't tell you how many of my patients have not been able to access their -- they have not been able to take a job because they didn't have access to childcare, and they -- you know, they were almost in tears in my

office because they wanted to, and they wanted to work, and they were excited to work, and they had nowhere to send their child. And they didn't feel like they could leave their child in an unsafe situation.

And so -- so these provisions will really help make sure that families have the ability to work and the ability to take themselves out of poverty.

Chairman Davis. So you are talking about not what you have heard, not what you have read, but what you have actually seen. And so you speak from the experience of having come into contact with these situations and with the people. Is that correct?

Dr. Beers. That is absolutely correct. I have been doing this work for almost 20 years, and, really, I have heard this story hundreds and hundreds of times.

Chairman Davis. Thank you. Thank you so much.

And I now recognize Ranking Member Walorski for 5 minutes.

Mrs. Walorski. Thank you, Mr. Chairman.

Ms. Milito, thanks for joining us today. I appreciated the comment in your testimony that 12 percent of small business owners report they will have to close their doors if current economic conditions don't improve in the next 6 months. This country can't afford to lose any more of our local job creators.

In Indiana, I hear from employers every day telling me that employees refuse to come back to work because they can make more on unemployment. That is why our Governor, along with 24 others, have now pulled out of those extra unemployment benefits altogether.

Can you talk more about the challenges that small businesses are facing with hiring and specifically how the Building an Economy for Families Act would impact the small businesses that you represent?

Ms. Milito. Yes. Thank you so much for that question. So they -- members

around the country are saying uniformly the same thing: Getting workers back to work is incredibly challenging. And that is why throughout the country, NFIB has been pushing States to end early that pandemic unemployment insurance, to get people back to work.

And flexibility in enticing workers back is really important. And let me share an example I had from a business owner last week who has an HVAC company, and he is looking for somebody right now and he needs somebody who is experienced. So he is not looking for, you know, an entry level, because he needs somebody that can come in and go out on a job by himself, going into the A/C summer, he said.

And he said the guys that are coming in all want more money. It is about the money. It is about what is your bonus. What is the -- you know, what is the money? And any additional mandate related to offering leave is going to limit the amount that this business owner can offer in the form of cash competition, which is what the employees in his business are looking for.

And, again, this goes to the point that one size does not fit all, because candidates, applicants vary from business to business. For example, if you have a childcare -- we have had a lot of discussion about childcare centers. -- you may have applicants there that are looking and interested in parental family leave and more leave.

But I can tell you, in talking with many business owners, right now, candidates are looking for additional cash. They want to get paid more. They are looking for wages. And so any mandate that takes away money from wages to, you know, a benefits program is going to hurt small businesses in getting workers back to work.

Mrs. Walorski. I appreciate it.

And in your written testimony, you also talked about the high compliance costs of small businesses adhering to both State and local paid leave mandates. So I have a couple of questions.

One, on average, how much are these compliance costs currently? And what is the practical difference for a small business working to comply with a Federal department running a new paid leave program versus working with a State government that might be more responsive to compliance questions?

Ms. Milito. Well -- thank you for the questions. So the compliance costs in a small business are disproportionately higher, and the Small Business Administration has done surveys on that too. And the reason is that a small business owner does not have the administrative staff to handle this thing.

And we are particularly concerned with the Building an Economy for Families Act, because it would -- you know, for covered businesses that already offer a paid leave program, they would likely have to reconfigure their program and learn new rules.

For businesses that do not offer any sort of paid family leave program, they would have to figure out how to do that, which is incredibly challenging. You saw this over the last year as businesses have really struggled to gain awareness of and comply with the Families First Coronavirus Response Act.

I mean, we have now -- out of business owners that offer paid leave, only about 40 percent have put in for the tax credit, because it is very complicated, and the recordkeeping associated with it is very challenging.

So they are going now and saying, Well, I don't typically ask my employees. If they need time off, I let them take it. I don't, you know, ask for documentation or paperwork. So I guess I can't claim the credit now. So that is, you know, very challenging there.

And there is very much concern amongst small business owners about creating a new Federal entitlement program. Very much. You know, when Social Security was started, I think the payroll tax was about 2 percent, and we are now up to about

12.4 percent there. And with how much unfunded trillion dollars in liability, you know, we are looking at, in a few more years, of a 16 percent payroll tax.

You know, right now, small business owners, NFIB members would uniformly say now is not the time to create some new behemoth entitlement program with Treasury as the benefits manager.

Mrs. Walorski. Thank you, Mr. Chairman. I yield back.

Chairman Davis. Thank you, Representative Walorski.

The gentlelady's time has expired.

And the chair now recognizes Representative Chu.

Ms. Chu. Thank you, Mr. Chair.

Ms. Frye, I am especially concerned about the long-lasting impacts of this pandemic on women, particularly in the workforce. According to a report by the National Women's Law Center, since February 2020, women have lost over 5.4 million net jobs. In December 2020, all of the jobs lost were held by women. This marked a 33-year low in women's labor force participation.

Women are juggling working from home, family responsibilities, and more likely to lose their jobs than their male counterparts. And it is estimated that if working mothers who left the workforce don't return, it could lead to an annual loss of \$64.5 billion in wages and economic activity.

So, Ms. Frye, this could have long-lasting impacts on the economy, and can you discuss the effect that the kind of universal paid leave provided by the Building an Economy for Families discussion draft could have on labor force participation, particularly for women across the country? Would it boost our economic recovery?

Ms. Frye. Well, thank you, Congresswoman Chu. You know, I think absolutely it would boost our economic recovery. There are a couple of things that I think we need

to consider.

What we know already is that women's labor force participation over decades has really helped to boost our GDP. We did research a few years ago looking at women's -- the rise in women's labor force participation from 1979 to 2012, and found that it boosted the Nation's GDP by 11 percent. So we know that women are actually critical to the economy in terms of making it grow.

We also know that women are critical to the economic stability and security of their families. Mothers are -- the majority of them, almost two-thirds, are breadwinners, so their absence from the workforce matters economically for families.

What we know from the data, looking at States that have paid family leave programs, is that when women -- when they have those programs in place, that it actually improves labor force participation. This has been true in California. It has been true in other States as well.

You know, obviously we have to monitor it to make sure that the leave is sort of the right amount of leave, but there is certainly ample evidence that shows that when you do that, that women actually are able to retain their jobs better, participate in the workforce, but also take time for their family.

So there are lots of reasons why paid family leave could actually help with that very, you know, difficult problem that we are facing right now.

Ms. Chu. Thank you for that.

Dr. Beers, as a psychologist, I am especially interested in the impact that quality childcare has on the development of young children as we consider substantially increasing our Federal investment in this area. Studies show that having access to high-quality childcare plays an important role in the trajectory of a child's education and development success.

So, you mentioned a comprehensive set of standards on quality health and safety practices that should be followed in today's early childhood care and education settings. So can you talk about why high-quality care is so important, particularly for infants and toddlers, and if investments in physical infrastructure, such as those proposed in the Building an Economy for Families discussion draft, can help support these best practices?

Dr. Beers. Yes, absolutely. And thank you so much for that question.

I think, as a psychologist, you know, you know, 90 percent of a child's brain development occurs in the first 5 years of life, and so this is such an incredibly important time for learning and growth and stimulation for young children. We also know that positive, supportive, stimulating experiences during that time promote brain development, and negative or nonstimulating experiences can actually decrease a child's brain development, and we see those impacts for a lifetime.

And so -- so I think that in and of itself tells us why high-quality early childhood education is just so important. Of course, lots of that positive experience and stimulation, we want to have happen at home, but we also know that kids spend a lot of their day in childcare, and so -- in early childcare and education. And so it is really important for them to be getting those positive experiences there as well, but not just for the short-term to promote kindergarten readiness, but for their whole lifetime.

And I think, you know, supporting childcare centers, early childcare and education centers, to build up the infrastructure that they need to provide that quality support and be able to invest their time and funds in staff and all the things that it takes to provide those quality experiences is only going to help and support that.

Ms. Chu. Thank you. I yield back.

Chairman Davis. Thank you, Representative Chu.

The gentlelady's time has expired.

And the chair is now pleased to recognize for 5 minutes Dr. Wenstrup.

Mr. Wenstrup. Thank you, Mr. Chairman. And thanks to everyone for participating today.

You know, one of the things I heard today is the importance of women and minorities in the workplace, and I couldn't agree more. And I hope that we don't do things that are going to prevent us from getting back to where we were pre-COVID, which led to record low unemployment levels for women and minorities.

But, you know, as we are having this conversation, I want to thank the hard work of working families and those that employ them, and especially those employers that really desire to assist their employees in time of need. And so this is a great conversation as we look at ability to act as childcare. And, also, I think we need to be talking about incentives for Americans to become childcare providers. We can talk about having childcare capabilities, but you have got to have the providers.

So, you know, today -- and I understand the importance of taking time off from work, being with your family. As a doctor, I understand the impact that family leave and childcare can have on health outcomes for children.

And I also come at this issue as a prior small business owner. I was operations chair for a large orthopedic group, that was my practice, with 300-some employees. When I first started in practice, I had two employees. And if one of my staff was out, I would have my mom come in.

And so small businesses face unique challenges, and we need to ensure that we address this and not necessarily do it from a top-down, one-size-fits-all approach, because there is a lot of differences.

And as I said at our last hearing -- and I will say it again -- the topic of childcare can and should be bipartisan. Let's craft policies that look to provide paid leave and

childcare flexibilities to more families, and let's do it in a bipartisan fashion, because we want these policies to be robust, lasting, and effective. And, together, I think we can provide significant support to childcare providers, as we did some of that last year when Congress responded to the pandemic. And those were bipartisan, targeted efforts.

But much of the previously allocated childcare funding hasn't even made its way out the door, and the goal should be to make it easier for folks to balance work and family life, and we don't want the government programs to be burdensome. So, ultimately, the benefits we offer families need to give them more freedom and more choice, and we need to set families up for their own success.

We have heard today one size fits all doesn't really work for this paid family leave and childcare. It is not always the best answer. We need to empower Americans with more flexibility and choice and need to give the employers more flexibility and choice.

Well, I am working on legislation that would give employers more flexibility to tailor childcare benefits to meet their employees' needs. The employer-provided childcare tax credit is an existing permanent tax credit aimed at helping employers provide childcare for their employees. The problem is that, currently, this can only be used by employers who offer an onsite childcare services. And the IRS has said only about \$50 million in total is claimed by employers, largely because employers don't typically invest in building onsite childcare facilities. Some employers don't have the capacity to build childcare facilities on site or there are liability and usage concerns.

My bill would allow employees to use this credit if they contract an outside childcare provider to offer these services to their employees. This provision is included in the Republican paid family leave and childcare discussion draft that we released today.

So I do have a question for Ms. Milito. Do you think offering this tax credit for employees to be able to use outside childcare providers would give businesses the

flexibility needed to meet this often unmet childcare need?

Ms. Milito. Thank you for the question. And, yes, I think making the credit more flexible and expanding its usage would be very important. I mean, as I said at the outset in my opening statement, I mean, NFIB's average member has, you know, 5 to 10 employees. It would make absolutely no sense for them to set up, you know, a childcare center onsite. I mean, it is just crazy to think about doing that there. So, even with the cost partially offset by a tax credit, it is just not going to happen there.

So, you know, expanding the use of the tax credit could be very helpful too. And making it very manageable and easy to navigate too, any credit -- claiming the credit is also very important, because, again, they are doing payroll in-house. They don't have extra time to spend on recordkeeping and compliance costs.

Mr. Wenstrup. Yeah. I tell you, that would have been very difficult for me when I had two employees. And we did have pregnancies, and, like I said, my mom would come in. But for me to set up a childcare center and do all that paperwork on top of running a practice would be pretty difficult.

So thank you, and I yield back.

Chairman Davis. Thank you, Representative Wenstrup.

The chair is now pleased to recognize for 5 minutes Representative Moore.

Ms. Moore. Thank you so much, Mr. Chair and Madam Ranking Member, for this very important hearing.

I would like to start out by directing a question to Ms. Perez and perhaps to Dr. Beers as well.

I think, even though we have heard much about how one size does not fit all, I think that what fits all is that we need to have our children in protective childcare while women are expected to work and that the loss of workforce participation among women is

directly related to this lack of childcare -- affordable childcare.

I just want to say to you, Ms. Perez, that your mom moving 50 miles away to come and take care of your child, I mean, you got the family deal, because childcare costs \$7,000 on the low end, \$17,000 a year for families.

And so I guess one of the questions that I have is the discussion draft doesn't really talk about providing a benefit to home care providers, maybe someone who is -- they have -- you know, they have got a fit home, they have passed some certification. We certainly want the kids to be safe.

But do you think that we ought to include the ability for certified homes taking care of appropriate numbers of children to be able to participate in childcare rather than just putting all of the money into businesses with separate childcare sites?

Ms. Perez. Absolutely. And thank you so much for your question, Congresswoman. One of the things that we most --

Ms. Moore. You guys -- MomsRising, I mean, you guys are great.

Ms. Perez. Thank you. It is always good to hear that. Thank you.

You know, one of the things we most hear from families is a desire to have meaningful childcare choices and options, and not only in affordability and not just where your employer is, rather, to have meaningful choices on the broad range of your child's needs. And being able to find care that best meets those needs is why we have to be inclusive of both center-based care and family-based care.

Ms. Moore. Exactly. Doctor, do you see that as being antithetical to providing quality childcare?

Dr. Beers. Well, actually, no, I don't see that as antithetical. You know, here in D.C., as I mentioned, I do a lot of work with the early childcare and education system and work both with center-based care, but also with home and family care. And I think there

are lots of ways that we can support home and family care to really provide quality care.

You know, we have done a lot of sort of hub-and-spoke kind of things and quality women support and other types of ways of supporting home and family care to make sure that they have access to all the different things that the larger centers do. But, yes, I think there are lots of ways we could do that. And I agree that families do appreciate having the option to choose the childcare setting that works best for them in a quality setting.

Ms. Moore. And very quickly, Ms. Frye, you know, I just did some math here on a napkin. And if someone worked 7 days a week for \$7.25 an hour, they would get \$15,080 a year. And, you know, even if you got the family deal, like Ms. Perez got, you know, and your mom moved 50 miles away and took care of your kids for \$50 a doggone week, you would still be paying 16 percent of your income for childcare.

I mean, I guess I don't understand some of the objections, Ms. Frye, that we are having to this when even the most exploitable worker, somebody working for \$50 a week, is taking too much income from a low-wage worker. And so I just want your comment on if anything is workable without some sort of government support around childcare.

Ms. Frye. Well, I think your point is right on target. It is just too expensive, and we need help. Families need help. That is way too much money for any family to spend on childcare. We know from our research that low-income families spend sometimes up to a third of their income on childcare, and they simply don't have that to spare.

So the importance of having investments that actually would help families find affordable care and lower those costs is critical, and it ought to be a top priority.

Ms. Moore. Thank you so much.

And, with that, Mr. Chair, I would yield back.

Chairman Davis. Thank you, Representative Moore.

The gentlelady's time has expired.

And the chair now is pleased to recognize for 5 minutes Representative Smucker.

Mr. Smucker. Thank you, Chairman Davis and Ranking Member Walorski, for holding today's hearing.

You know, we all want every woman who wants to participate in the workforce be able to do so. We want every child to have the care that they deserve and families to have the choices for quality childcare that they deserve.

Some of us believe that establishing a -- an expensive new government program paid for out of every worker's paycheck does not provide the flexibility that can ensure employers and their workers can arrive at -- can agree to it to provide the needs of their employees in the best way.

I will say, though, according to the data from the Bipartisan Policy Center, 42 percent of women with children under 2 years old left the workforce during the pandemic. Many cited caregiving responsibilities as the reason, and we know families have struggled to find reliable and affordable childcare for decades. And, certainly, that situation has only gotten worse during the pandemic.

I know in Pennsylvania, the -- my district is in Pennsylvania -- hundreds of childcare programs have shuttered their doors over the last year and may never reopen. And so, certainly, this -- there is a need that has existed, and that need for reliable, safe, and affordable childcare has probably never been greater.

Congress did spend billions of dollars to help keep the industry afloat over the past year. In fact, my Democrat colleagues just ran through \$50 billion to restore childcare access in March. That, by the way, was more than the entire revenue of the childcare industry in 2019, and much of that money hasn't even reached the local childcare providers and families in Pennsylvania.

We have the opportunity right now to put meaningful policies in place that will

grow the number of available childcare options and help make them more affordable. But ignoring the fact that we still have billions of unspent dollars and doubling down on these sort of nanny-State policies by increasing permanent, open-ending spending, it puts Washington in the driver seats, not parents.

We just -- we need to ensure that these dollars are being directed towards creating self-sustaining childcare programs that will continue to function after the end of the pandemic.

That is why, just this week, I cointroduced legislation with Representative Stefanik to support the creation of robust family childcare networks. Family childcare programs exist in residential settings and are usually small groups of children, allowing the provider to tailor care to each child's unique needs. And it may not be a solution for all families, but many workers with nontraditional hours rely on family childcare programs when traditional facilities are typically closed.

But these family childcare programs function as individual small businesses, and many find it difficult to balance day-to-day operations with business needs. Our bill seeks to solve that by better supporting these operations and creating new childcare slots.

Specifically, it allows unspent American Rescue Plan dollars to be used for start-up grants for new childcare programs. These dollars can be used to support facility improvements, for the formation of the small business, for purchasing supplies, and professional development to ensure the providers are offered the highest-quality programs.

Additionally, it would allow workforce development boards and local community partners to use funding to help provide business support to the childcare providers. Programs could pool together to get assistance with things like training, peer support, and back-end business functions. So I think not only would it help create a stabilized network of providers, but it would also help lower costs that could potentially lead to savings for

families.

I do -- I have just a few questions, but I do want to close, before I get to that, by saying that, you know, I think Republicans have -- you know, want to work with Democrats. We, in fact, have a long history of leading on reforms to make childcare more affordable. We have doubled the tax child credit, to implementing new-baby savings accounts.

So I really do hope, Mr. Chairman, that we will work together in a bipartisan way, and I hope to see this bill considered that I have just described.

Ms. Milito, thank you for raising the perspective of the small business owner in today's conversation. I was a small business owner myself for years, and so I understand how government mandates can impact business, and particularly for businesses with only a few employees.

And as you are aware, the discussion draft that Republicans put forward today includes a proposal to encourage more takeup of the payroll tax credit for employers to offer paid leave. I wondered if you could speak to how this may be a more workable solution for small businesses. It empowers them to create flexible programs that will meet employees' needs, rather -- versus Chairman Neal's proposal to put the IRS in charge of paid leave.

Ms. Milito. Thank you, Representative Smucker, for that question. And, yes, it would -- for childcare providers, small business owners who own childcare centers, last year was incredibly difficult, so I appreciate you, you know, pointing that out too, because they operate on razor-thin margins, and it has just been so challenging.

So I do think that, you know, the credits could be beneficial to small business owners, because it offers flexibility to design programs that work for a business, a particular business.

And, again, you know, it -- keep in mind that small business owners are parents too, and they are female, so they are not walking in their business and taking off their mom hat and putting on their small business owner hat. I mean, they get it.

So, if there is a program that is workable and manageable and they can navigate it like a -- you know, a tax credit program that they can, you know, share with their employees to allow them to get the -- you know, the assistance they need with childcare or their own care, that would be very, very beneficial. But it needs to be, you know, manageable, and as you pointed out too, flexible, so that the business can, you know, design programs that work for that particular business.

Mr. Smucker. Thank you, Mr. Chairman. I see I am out of time. Thank you.

Chairman Davis. I thank the gentleman very much.

Consistent with committee practice, we will now move to a 2-to-1 questioning ratio, and the chair is pleased to recognize for 5 minutes Representative Evans.

Mr. Evans. Thank you, Mr. Chairman. I thank the ranking member for this hearing.

Mr. Rothman, as a small business owner, can you walk us through how you decided to offer paid time to your employees, to new parents, and dealing with a serious medical issue or care for their loved ones with a serious medical issue?

Mr. Rothman. Yes. So we heard an overwhelming clamor from our employees over the last several years that this was needed. You know, we had an unlimited PTO policy previously that, because it was unlimited and because, you know, that was often left to the interpretation of managers, it created confusion in the organization for individual employees. So we decided that we needed one overarching policy that could appropriately contemplate, you know, the needs of parental leave.

We also, as an organization, have studied, over the last 5 years, best practices of

organizations large and small through our parents at work initiative. And we also saw a very clear throughline that even in small businesses of, you know, 50 to 100 people to large organizations that employ more than 50,000 people, each of these businesses had very clear parental leave policies that were increasingly gender neutral and that really -- but in addition to the policies, there were also very clear cultural practices that made it possible for employees to both take advantage of leave that was on offer without having to rely on the benevolence of a manager who wouldn't, you know, kind of go like, wink, wink, nod, nod, like, yeah, you have 12 weeks of parental leave, but we don't really do that on our team.

So it was really important for us to have an overarching policy, and then to make sure that individual managers were the ones who were kind of broadcasting their adoption of this policy to make sure that we had more of a permission structure in the organization to take leave that was being offered.

Mr. Evans. So, Mr. Rothman, understanding where we are at this moment within the country and the challenges, and obviously, evidential base drove you to make the decision. Obviously, you are hearing the conversation that is taking place. Then how do you see an understanding of us taking a national policy and implementing it? You can kind of see the basis. As you just said, not a wink, wink, but something that is there and predictable. You can kind of see the basis of the direction that we are attempting to do?

Mr. Rothman. Yeah, 100 percent. Look, I felt the needs as a small business owner who initially only had, you know, a handful of employees, I thought it would be, you know, devastating if anyone took leave. You know, small businesses, as we have discussed, often have to bring in, you know, their mother or their friend's friend to help kind of chip in in those early kind of fraught days of the business.

And I think we realized, through the evidence and through our own experience, that

those fears were unfounded; that, again, by offering leave, that we saw that employees stuck with the company, that they were more productive when they came back.

And then that experience also taught me that workers, you know, particularly, you know, hourly workers, not just, you know, exempt employees, couldn't just rely on like individual decisions of, you know, individual companies and then individual managers within those companies. There needed to be more comprehensive Federal policy that helped -- guided the discussions among, you know, small businesses to make, you know, better decisions on behalf of their companies and on behalf of their employees.

Mr. Evans. Thank you.

Dr. Beers, how would universal paid leave improve low-income children's development and health outcomes?

Dr. Beers. Yeah. Thank you for that question. You -- in a couple of different ways, I think we have talked certainly about parental leave, allowing, you know, families to really be with their newborn during that incredibly important early days of attachment and development right after birth, but also allowing families who, you know, perhaps -- I have a lot of patients who have special healthcare needs, and they may be in and out of the hospital or need really regular visits to maintain their care. And this allows families to really be present there for their children to make sure that they are getting the optimal care and setting them up for optimal growth and development and educational attainment in the future.

Mr. Evans. I thank you.

I thank you, Mr. Chairman. I yield back the balance of my time.

Chairman Davis. I thank the gentleman from Pennsylvania.

And the chair now is pleased to recognize for 5 minutes the gentleman from California, Mr. Panetta.

Mr. Panetta. Thank you, Mr. Chairman. And thank you to all of our witnesses for your time this morning, as well as your preparation, and, of course -- of course, your expertise, and also your experience.

You -- I think we all know, and as has been said, not just by the members here but obviously our witnesses, that the pandemic clearly has highlighted that we as a country are sort of an outlier for not already having these basic protections in law. But, also, how fundamental these types of protections are to our economic infrastructure and security.

So I -- you know, I think it is clear that universal paid leave and childcare obviously supports and can support our economic recovery, and it also will help us grow, clearly, in the future. So I really want to applaud the committee for this comprehensive approach as we look forward to working to pass meaningful and lasting policy.

And I, once again, applaud the witnesses and appreciate what they are doing sort of ahead, basically taking the lead on this. So thank you very much, including Mr. Rothman. If I may kind of start with you.

I guess, kind of narrowing it down, give us a little bit in regards to your decision ultimately why you offered a gender-neutral paid leave. What were some of the experiences and some of the evidence that you can provide us to say why you went that route?

Mr. Rothman. Well, thank you for the question. It was pretty clear. You know, we saw that, you know, men increasingly wanted to spend, you know, more time with their young families. We saw the evidence very clearly across literally hundreds of articles and, you know, hundreds of experts that suggested that men being involved early in those -- you know, those first 3 months is crucial for creating better patterns of caregiving that will ultimately, you know, manifest later in the relationship. We saw that men who came back from parental leave were more engaged, stayed at companies longer.

And then we also saw that our policy didn't contemplate nonbirthing parents. It didn't contemplate, you know, the type of diversity that we look to recruit into our company. And we heard this from employees. And that is why it was also really important for us to put together, you know, an employee resource group so we can have, you know, a dedicated team that can help, you know, voice the concerns of employees to management so management can respond in kind.

Mr. Panetta. Great. And, in regards to your best places guidelines, can you talk to us about the measurements you used for being on paid leave?

Mr. Rothman. Yeah. So we looked at not just, you know, the amount of leave, but we also looked at the, you know, utilization of that leave. And we saw early on, a couple years ago, there was almost like an arms race among tech companies in particular to see who can offer the -- you know, the most weeks of paid leave.

And then when we dug a little bit deeper, we saw that, you know, often the culture didn't necessarily keep up with the policy, and that having -- and utilization rates were really important, that having really good policy can often fall down in the face of managers who, you know, would really insist that their -- you know, their direct reports only took maybe a week or 2 weeks. So it wasn't just the -- you know, the amount of leave; it was utilization rate.

We also looked at the presence of childcare and how organizations supported childcare. We looked at things like bereavement leave. We looked at the gender neutrality of the leave.

So, across, you know, each of the best places certifications, there were probably about 36 individual pieces of criteria that we evaluated.

Mr. Panetta. Outstanding. So not just looking at quantity, but definitely honing in on the quality of it, correct?

Mr. Rothman. Absolutely.

Mr. Panetta. Great. Well, thank you for your quality testimony today.

And I am going to yield back, Mr. Chairman. Thank you.

Chairman Davis. Let me thank the gentleman for yielding back.

The chair is now pleased to recognize for 5 minutes Representative Hern.

Mr. Hern. Thank you, Mr. Chairman. Thank you, Ranking Member Walorski. I really appreciate this hearing today. And I thank our witnesses for being here as well.

You know, Republicans and Democrats both want to improve the policies for Americans expanding their families and taking care of loved ones, but we just disagree on how to do it. Today, we are here to discuss what I call the "building the economy for failure act," the President's latest attempt to throw money at our problems as if we have an endless supply. It is just another blank check for our Democrat priorities.

If you look at the trillions of dollars that we have sent and are wanting to send from this administration, it -- there is no end to the spending that is out there.

Last week, I introduced the only budget in Congress, to date, reclaiming our fiscal future, the RSC's official budget. It puts our spending back on a sustainable path, something that I think Congress should spend a little more time on.

Rather than rein in spending, rather than introduce targeted solutions to complex problems, my colleagues on the other side are proposing that the Treasury Department -- the Treasury Department, our tax management agency, run a paid family and medical leave program. It is a one-size-fits-all approach that puts the IRS in charge of paid family leave and childcare, a \$50 billion industry in the private sector.

Further, Democrats already upended the child tax credit that was designed to reward working families and turned it into a welfare-without-work program. By detaching the child tax credit from earnings, Democrats undermine the path out of poverty.

We know that a job is the most direct path out of poverty, but the child tax credit proposal from the otherwise is designed to increase government independence and, according to one study, it will kill 451,000 American jobs and cost as much as \$1.5 trillion.

The most alarming part is there is no pay-for. States are still having a difficult time obligating the \$50 billion that we provided during the pandemic for childcare. And now the plan we are discussing would add up to \$2 trillion in open-ended, unfunded mandates.

Before coming to Congress, I was in business for more than 35 years and saw firsthand how restrictive Federal regulations hurt small businesses. A one-size-fits-all policy just does not work. There aren't enough people in Congress who have lived on the other side of these policies they are responsible for writing, which is why those policies fail to help small businesses more often than not.

Unfunded government mandates crush small businesses and decrease their ability to provide targeted benefits to their employees. Employers want to provide attractive, tailored benefits for their employees, but government interference like this actually makes it harder for small businesses to do just that. It is just another game of, quote, "Washington tends to know best," end quote. But they don't.

The Democrats' plans add new burdens for small businesses, job creators who are still recovering from the COVID shutdown. Why not approach this problem from an angle that helps small businesses compete with the extensive resources of the Federal Government and big corporations? We need to support our mom-and-pop shops, not kick them when they are down.

This kind of policy would be much more effective at the State level instead of the Federal level. States have more flexibility and a deeper understanding of what works for their communities. Why do this at the Federal level when we have 50 laboratories of

innovation across the country, States like Massachusetts and Washington, and we could have the other 48 work on programs that we can see and let the best practices -- and let them compete State to State?

We need to focus on improving options for families through better jobs, lower unemployment, that, in turn, drives down -- drives higher wages, not creating new entitlement programs. In fact, the President spoke about this just this past week, about lowering the unemployment and drawing higher wages to the middle- and lower-income levels.

To help workers' families, we should first empower families, not increase their taxes. Second, get the government out of the way of small businesses, not impose new mandates on them. These ideas all stem from our belief that the American people know how to save and spend their money better than the Federal Government.

My question to Ms. Milito. Thank you for sharing your perspective on behalf of the 30 million small businesses in America that create local jobs and give all entrepreneurs hope. And in your testimony, emphasis on the importance of Congress doing no harm, as businesses recover from COVID, can you elaborate on the consequences of Big Government policies during an economic recovery?

Ms. Milito. Yes. Thank you very much, Representative Hern, for that question and for your thoughtful remarks too.

So one-size-fits-all government policies are not going to help Main Street reopen there. And I take issue with the characterization too that, you know, what employers need -- business owners need are comprehensive, national policies to allow them to make better decisions. If you talk to NFIB members, I think they would uniformly say they are making, in their mind, the best decisions they can, just like families out there are making the best decisions they can, because their workers are their most -- their employees are

their most important asset there.

And they, by and large, offer paid time off for their employees when they need it. They don't silo leave into paid sick leave, vacation, bereavement leave, parental leave, medical leave. They offer paid time off. And they do it in a way that is fiscally responsible for the business owner.

You know, so, for example, a small business owner might allow a worker to take time off to care for a child who has cancer. And they will allow them to tele-commute if that is possible and allow as much flexibility as possible there.

But a government program couldn't do that. There would be a recordkeeping requirement. The worker would not be able to undoubtedly, you know, work from home. It would be for a specified period there. So the one-size-fits-all government mandates don't work for small businesses, and our country can't afford them right now.

Thank you.

Mr. Hern. Thank you, Ms. Milito.

Mr. Chairman, I yield back. Thank you.

Chairman Davis. The gentleman's time has expired.

And the chair is now pleased to recognize for 5 minutes the gentlelady from Florida, Mrs. Murphy.

Mrs. Murphy. Thank you so much, Mr. Chairman.

And good afternoon to all our witnesses. Thanks so much for being with us and providing expert testimony about how to create a framework that really supports working people and children and the other dependents that they care for, which I believe encompasses most working people in this country. I think we all want to ensure that we enable workers to be able to go to work.

But, today, what I want to focus my remarks on is the child and dependent care tax

credit, the CDCTC. It is not to be confused with the well-known child tax credit, which -- but the -- rather, the CDCTC helps families offset a portion of their child and dependent care expenses by reducing their Federal income tax liability. And it is a critical but overlooked element in the childcare landscape, especially at a time when childcare costs are increasing and are at such a high rate.

Here in Florida, I believe that there are some preinfant care, preschool kinds of care that can cost as much as a 1-year tuition at a university. So it is -- it is an issue that a lot of Floridians struggle with.

And since I have come to Congress, I have been working on what is called the Promoting Affordable Childcare for Everyone, or the PACE Act. In a bipartisan way, my first Congress, I worked on it with Representative Kevin Yoder from Kansas. And last Congress, I worked with Jason Smith of Missouri on it.

I think it is really important because it modernizes the CDCTC -- which is a mouthful. But the PACE Act basically enhances two provisions in the Federal Tax Code to help working families pay these expenses that are associated with childcare or dependent care, which is important, because a lot of families are stuck in that sandwich generation where they are taking care of children and their aging parents.

But we are basically trying to make these provisions more helpful for working families and expanding them to more working families on the lower end of the income spectrum.

And first, the PACE Act seeks to make the CDCTC refundable, so a taxpayer could use the credit to reduce their Federal tax liability to zero and receive a refund from the IRS for any credit that remains.

And then there was some progress made. The American Rescue Plan enhanced the CDCTC to help millions of families get back to work and afford childcare during the

pandemic. And the language in the bill mirrored the PACE Act. However, those changes will expire at the end of the year, and I think there are various ways that we can continue to strengthen this important tax relief for working families.

You know, Ms. Perez, you shared about the kind of provisions parents need to make childcare more accessible and affordable. Can you share maybe if you have had any experience with the CDCTC?

Ms. Perez. Yes. The CDCTC is a critical program for families, and making the credit fully refundable would help reduce child poverty by 9.2 percent over 10 years, according to an analysis by First Focus. And this is all the more reason that we are supportive of making improvements to CDCTC permanent, but we view this as just one of the tools in the toolbox to fix our childcare system.

One of the things that I think is always really critical to emphasize is that childcare -- child tax credits -- apologies -- alone aren't going to solve the childcare crisis. As I pointed to in my testimony, we really need a multifaceted approach. When we talk to parents, it is not just about affordability; it is about supply as well, and it is about what those programs look like and the quality of those programs. And the best way to increase quality is by having direct investments into wages, and particularly for the childcare workforce.

So I think as we think about this, that this is one of the tools in the toolbox that is absolutely critical to families. And we also need to be thinking about how is it that we invest in a comprehensive system that is going to meet all the needs of families so they have meaningful choices in the care that they get for their children.

Mrs. Murphy. Great. Thank you so much.

And, with that, I will yield back, Mr. Chairman.

Chairman Davis. The chair thanks the gentlelady from Florida for her questions.

And I am now pleased to recognize for 5 minutes Representative Kildee.

Mr. Kildee. Thank you, Mr. Chairman, for holding this really important hearing.

And I want to go in a slightly different direction. Six years after the Flint water crisis came to light, another crisis hit, the coronavirus pandemic. And so, right now, Flint families that I represent are dealing with one crisis on top of another.

During the pandemic, what we have seen is alarming reports that blood testing for young children has substantially dropped in many parts of the country. This is happening as parents skip or delay pediatric appointments to prevent their own exposure to coronavirus.

According to the Michigan Department of Health and Human Services, the number of children under age 6 tested for lead dropped 76 percent in April 2020, as compared to April 2019. So I have led, along with my friend, Congresswoman Gwen Moore, letters to the CDC urging the urgency -- agency -- I am sorry -- to ensure that at-risk children are being screened for lead exposure. However, this problem continues.

We also think the CDC should rethink environmental lead screening. Children's bodies should not be used to detect poisonous neurotoxins in our environment. At that point, we can't prevent the damage; all we can do is mitigate the effect. So we need to make sure that systems are in place to detect lead in a child's environment before they are exposed to it.

So I was very pleased to see that Chairman Neal's proposal, the Building an Economy for Families discussion draft, would invest in physical infrastructure to ensure that childcare facilities are safe from hazards such as lead.

So, Dr. Beers, I wonder if you could talk about how Congress can and should strategically invest in childcare physical infrastructure to minimize, prevent hopefully, child lead exposure. And if you could also just talk about what the physical environment

means in terms of a child's health and development.

Dr. Beers. Yeah, absolutely. And thank you for that question.

I think it really highlights how there are so many different influences on a child's health and that we often don't even think about. You know, and I -- I also appreciate you highlighting the fact that there are many children who have not made it back to their pediatricians' offices where we can provide really comprehensive and, you know, important preventative care. So I appreciate you highlighting both of those things.

You know, we agree with you, there is no safe level of lead in children's bodies, and we -- they should not be our canary in the coal mine. And so, you know, this is the case for lead, but also lots of other environmental toxins. And I think that we just know that when children are in physical environments where they have, you know, safe water, they have safe places to sleep, you know, so that we can promote safe sleep environments, they have the space to have adequate staff-teacher ratios to provide quality early childhood education, you know, all of those things are so important. Also, thinking about, you know, the lead in paint, that is also an important piece around physical infrastructure.

And so all of those things are really -- also, space for children to get physical activity and run around and be outside, all of those -- all of those enhancements to the physical space are incredibly important for comprehensive early childhood education and experience.

Mr. Kildee. Well, thank you for that. And, you know, growing up in Flint, representing Flint, seeing the tragedy that has taken place there, it is difficult to imagine that the trajectory of the lives of these young kids could be affected. I wonder if you could just touch on what impact lead exposure can have on brain development, around developmental challenges the kids may face?

Dr. Beers. Yeah, absolutely. And I also know that you have some incredible

pediatricians and child health advocates there in Flint who have been terrific partners.

Yes.

Mr. Kildee. Dr. Mona Hanna-Attisha, yeah.

Dr. Beers. Absolutely. Absolutely. She is incredible and really an inspiration to all of us, so -- but, you know, you point out exactly -- you know, even relatively low exposures to lead can have what we call neurotoxic impacts on the brain, and so they can impact a child's both short- and long-term development, which is -- which is, you know -- and, you know, decreasing their ability to meet their full potential in life, decreasing their educational attainment.

I know that also in Flint, you have done some really wonderful things, actually, to support early childhood brain development through recognizing the really toxic impacts that the lead has had on children's brains there. And so I also just want to applaud you, and appreciate the work that has been done there to really put into place efforts to enhance opportunities for early childhood brain development.

Mr. Kildee. Thank you so much. I thank you. I thank all the panel.

And, Mr. Chairman, I thank you for holding the hearing. I yield back. Thank you.

Chairman Davis. The gentleman's time has expired.

And the chair is now pleased to recognize for 5 minutes the gentlelady from West Virginia, Representative Miller.

Mrs. Miller. Thank you, Chairman Davis and Ranking Member Walorski. And thank you to all the witnesses that are here for today.

As a mother and a grandmother and a small business owner, I know how important family life is and the flexibility that is needed to be a good parent. Taking care of a child is a huge responsibility and a privilege. While every family faces similar challenges

raising their children, each family is different when it comes to their childcare needs.

Many in my district are happy working with their employer on a case-by-case basis. With that in mind, we need to protect flexibility in the childcare discussion. I am shocked, sadly not surprised, that my Democrat friends think that the government should have a say in what is best for families in West Virginia.

Instead of working out an arrangement that fits the unique needs of each family, they are expecting people to go through the Treasury Department for family leave benefits. It is simply ridiculous. The IRS has a poor track record with taxpayer assistance, and they struggle to help my constituents who face widespread identity theft, let alone childcare.

What is even more frustrating is the fact that we have not even seen the \$50 billion that was appropriated to childcare in March make it to local providers. Why are we continuing to throw money towards childcare without making sure that it is going to the families that need it the most?

Instead of a one-size-fits-all approach, committee Republicans introduced a real solution that will provide flexible options for families. As part of the Protecting Worker Paychecks and Family Choice Act, I will be introducing the Targeting Childcare Funds Based on Poverty Act of 2021.

My legislation will help target childcare funds towards the families and the children in poverty. This legislation is not only common sense, but it will ensure that taxpayer dollars are targeted to reach families and children who need the help the most.

When it comes to childcare and paid leave, it is of the utmost importance that we preserve flexibility and ensure that funding actually reaches the American families. Families should be at the center of this discussion, not the heavy hand of government.

Ms. Milito, in West Virginia, there are help-wanted signs in nearly every town. Your testimony highlights the fact that across the Nation, small business owners are seeing

a growth in sales but are stunted by not having enough workers. Finding qualified employees remains the biggest challenge for small businesses and is slowing economic growth. Owners are raising compensation and offering bonuses and benefits to attract the right employees.

How would a new payroll tax and a new mandate from Washington work for those employers already struggling to attract a workforce?

RPTR DEAN

EDTR ZAMORA

[12:01 p.m.]

Ms. Milito. Thank you, Representative Miller, for that question. An additional tax would completely undercut the flexibility that workers need to put their money where they need it most. And right now, they need to put the money, their dollars, their allocation for payroll costs towards cash compensation, towards those bonuses.

You mentioned in your statement that each family is different. And as you well know, each small business is different too. And they need the flexibility to tailor the benefits as they see fit and as their employees demand in the business. So in some businesses, you are going to have workers that would want paid parental leave. In other businesses, you want workers that want a \$5,000 bonus every December. So it just depends.

I mean, I appreciate the passion and the enthusiasm that advocates have for paid leave. But like you, you know, I am a mom of four kids, so I am passionate about family issues, but I am passionate about the 30 million small businesses in this country and concerned about our country's long-term fiscal health. And creating a new Federal entitlement program that puts an additional tax on employees and employers is not good policy for our country.

I mean, some of these programs are sold as though it is going to be a cup of coffee each week or each month, and the next thing you know, it is, you know, the cost of a tank of gas per week. That is not what employees need and it is not what small businesses right now can afford.

Thank you.

Mrs. Miller. Well, how would [inaudible] Federal entitlement program affect

lower-income employees?

Ms. Milito. It would disproportionately impact them. I mean, many of these programs are set up in what I would say is, you know, a very aggressive way. Even in San Francisco, where some of the leave is 100 percent, the takeup from lower-wage workers is very, very, very low. So, in essence, you know, while the payroll tax is the same for all workers, it is the higher-income workers that are taking the leave. And, therefore, either you have got lower-income workers that are paying into a program they are not using for, you know, a variety of reasons there.

So it is something that, again, it is going to disproportionately impact lower-wage workers and, you know, it is going to impact ultimately salaries too. Business owners are going to go have to allocate money towards these mandated benefits that employees may not even use.

Mrs. Miller. So thank you.

Chairman Davis. Thank you. The gentlelady's time has expired.

And the chair is now pleased to recognize for 5 minutes the gentleman from California, Representative Gomez.

Mr. Gomez. Thank you, Chairman Davis, for having this important hearing.

I want to first go back to something that the gentlelady from Wisconsin, Mrs. Moore, mentioned. She mentioned the minimum wage. And the reason why I want to go back there is that a lot of people in my district, including myself at one point in my life, work minimum wage jobs. And my parents worked minimum wage jobs. And even in the areas that were lower cost of living areas in California, like Riverside where I grew up, they still had to work four or five, six jobs a week to make ends meet. And I always think about them when we are doing these kinds of programs. What kind of burden are we putting on the workers, but, also, what do they need?

And I respect my colleagues on the other side of the aisle, their perspective when it comes to how do we make things better for people. But when they are given an opportunity to raise the wage, right, the minimum wage, they reject it. When they are given the opportunity to pass paid family leave, they reject it. When they are given opportunity over and over and over again to help working people, they reject it. And then when they have an opportunity -- and some of my colleagues weren't here in Congress at the time, but when they had an opportunity to pass tax cuts, that their tax cuts went to the top one-tenth of 1 percent of all income earners in this country. Lower the corporate tax rate. So [inaudible] an honest discussion, how do we craft policy when it comes to it?

I think there are some good ideas. I like the idea of targeting resources to the people who are most in need. That is why I support a paid family leave program that keeps three things in mind: One, people with lower wage replacement, lower wages need a higher wage replacement. Two, they need to know about the program. And three, they need job protection in order to be able to use it.

But I don't believe allowing the free market to determine what kind of benefits people will get, what kind of wages is the best way to always go, especially for the lowest wage workers. Because in some places, I have no doubt that if somebody could get away with paying, you know, \$2, \$3 an hour, which they do, there are a lot of sweatshops in California, unfortunately, and across the country, getting immigrants and other people who are paid under the table to do certain work, they are getting paid even less than that. That is extremely unfortunate that we have to combat, but it is not the only way to do it.

So I believe we need a paid family leave program. And I have concerns allowing to create a free market version of getting paid family leave to workers.

I have a question for Ms. Frye. Can you explain why it is important for Congress to support a universal mandatory program rather than rely solely on a voluntary

participation or financial incentives like tax breaks?

Ms. Frye. Well, yes. Thank you, Congressman Gomez, for the question. You know, I think the best way to answer that is to look at where we are now. You know, the status quo is sort of a voluntary system. And the reality is that most workers in this country don't have access to paid family and medical leave. And that is particularly true for low-wage workers. Less than 10 percent have access to things like, you know, paid family leave. It is simply not accurate to say that people have access to the leave.

You know, I understand the point that others are making. This is not about being passionate or, you know, good advocates. This is actually just responding to the reality of workers. This is a problem. It cuts across all families, particularly low-income families, but not exclusively. So we actually just need to do better, and we need to come up with a program that works.

A voluntary program simply does not work. It has never worked. It didn't work before the Family and Medical Leave Act, and it hasn't worked now. So I think this is about how do you create a program that actually can address the need and address the needs of families. And just because it is a universal program doesn't mean it is inflexible. It just means that you are making it accessible to all people. And that is really what the problem is, and so we need to try to fix that problem.

It is particularly true for low-wage workers in communities of color, voluntary just has not worked. And so doing the same thing over and over again is not going to yield a different result. We actually just need to make sure that we are creating a program that will make leave available to families. And this is an important way to at least step forward and address the inequities that already exist. That is what we need to do.

Mr. Gomez. One last thing. My colleagues on the other side of the aisle, a voluntary program, all it is going to do, it is going to underwrite what large corporations

are already doing because their workers demand. You know, the ones in the Silicon Valley that have been on the forefront, the largest corporations that are often not based in the rural areas. They are not based in working-class communities. You would literally be subsidized by a voluntary program in the largest corporations once again and the highest wage income earners and not focusing the benefits of who truly needs it, and that is working-class people in my district and in the Republican districts throughout the country.

So with that, I yield back. Thank you so much.

Chairman Davis. I thank the gentleman for yielding.

The chair now is prepared to recognize for 5 minutes my colleague from Illinois, Representative Schneider.

Mr. Schneider. Thank you, Chairman Davis. And thank you for allowing me to participate in this very important hearing.

I want to thank the witnesses here today for sharing your testimony, your experience on the critical need for universal paid leave and the access to childcare.

I am proud to join my colleagues in Congress as we address these challenges. And as Dr. Perez simply stated, these are not insurmountable challenges, and it is something that I think we all could work together to address.

As the COVID-19 pandemic upended our daily lives almost overnight, we saw how quickly unexpected events can change our ability to work, to care for our families, to uphold a standard of normalcy. While COVID-19 was something we all endured, each of us will experience our own individual tragedies and personal difficulties that will require us to step away from work and address our needs and those of our loved ones.

That is why last Congress, I introduced legislation, the Parental Bereavement Act, to expand eligible leave under FMLA to allow individuals to take leave following the death of a child. I will introduce -- or reintroduce this bill this year, because all

Americans deserve to take the time to cope with personal tragedies without the fear of financial ruin.

Until we have paid leave and guaranteed access to childcare for all Americans, the most vulnerable Americans will all too often have to choose between the needs of their family and keeping their job.

Turning to questions, if I can start with you, Ms. Perez, you talked in your testimony not only how the COVID-19 pandemic exacerbated issues with access to childcare, but also how childcare was often inaccessible well before the pandemic and that these challenges transcend affordability. Can you touch more upon how families of all means struggle to access childcare, how the pandemic actually shined a light on the barriers of accessing that care beyond just the issue of affordability? And are there provisions in the Building an Economy for Families discussion draft that would help reduce the stress and the mental labor of finding childcare as well as the cost?

Ms. Perez. Absolutely. We have been hearing for years that childcare is a struggle for families on affordability, supply, options for care, and also just finding that care. And I think it is important to highlight this because, even just before the pandemic in February of 2019, there was a hearing in front of the Health Committee where one of our parents talked about how childcare had not just impacted, you know, the ability for that parent, Angelica, to have a job, but had impacted her housing. It impacted the long-term finances of her family.

So this is not a new problem. This is a long-term structural -- inequality structural issue that needs long-term solutions. And I think some of the ways that we know that this can really, really make a difference is in terms of the Building an Economy for Families discussion draft, this multiyear mandatory funding.

Reliable funding will help build a sustainable, comprehensive system that is

meaningful in its increase of access in addressing affordability. And building supply isn't where it stops, which is to the point of the information network. Families need to know where to find that care, when it is available, and be able to make meaningful, informed decisions about the best care for their child with reliable information.

You know, we hear from moms. There is a mom in California who was telling us about how she called 20 to 30 providers in her community and only to find one spot open, couldn't access that spot, and then had to start looking much farther away. So this is a supply issue, right? The importance of investing in supply and importance of investing in affordability, but also helping families figure out where to find this care. And there is a high demand for that information as well.

The only thing that I would really stress there is that in order for the information network to really serve families, it has to be as easy for providers to participate as possible. Right? If providers are able to really participate in large amounts, which is the least amount of restrictions possible and investing in providers to participate in that network, it is going to be really, really, really helpful for families. And they won't have to depend anymore on just word of mouth or on Google, which is not always the most reliable way.

I can say, in my own experience, as one of the reasons that I ended up with the care of my own family was because I just couldn't find childcare in my area. And I am extremely resourced, and I have been in this space for a very long time. And only recently found out that there was an in-home family care provider that really met my needs that I could potentially look into. I don't know if that would have ended up working out, but there is also this element of the importance of building the supply, addressing wages, addressing quality, but then also making sure that once we build that supply and it is there, that families can find it.

Mr. Schneider. Great. Thank you.

In my last couple of seconds, if I can just touch with Mr. Rothman. Not a question, just a story. When my son was born just over 28 years ago, I had the privilege of being home with him for the first several weeks of his life. And the ability to be a part of that experience with my wife in starting our new family was invaluable. So I just want to thank you for your discussion about doing gender-neutral paid leave. I know firsthand that it makes a difference in something that we really should provide to everybody.

And with that, Mr. Chairman, my time has expired. I yield back.

Chairman Davis. Thank you, Representative Schneider.

The gentleman's time has expired.

And the chair is now pleased to recognize for 5 minutes Representative Ferguson.

Mr. Ferguson. Thank you, Mr. Chairman. I would like to thank you and the ranking member for holding this hearing on a truly important topic and to explore different ways of addressing this issue. I would also like to thank the Republican staff for their work in being incredibly diligent and creative in helping us find flexible solutions.

Two provisions that I am proud to see included in the this discussion, the family savings accounts and the expansion of small employer pooling options for paid family and medical leave. And we have seen the exasperated need for flexibility for employers and working families during the pandemic, but it cannot be accomplished by a massive, new entitlement program that is a one-size-fits-all government solution. We need flexibility.

One of the provisions included in this package would be particularly beneficial to the hardworking families in my district. And that is the family savings account, which creates a new tax advantage account designed with flexible saving -- designed to be a flexible savings vehicle for families with children. And they can use this to pay for school expenses, childcare, and to provide wage replacement during periods of parental or medical leave.

If it takes a village to raise a child, then family savings accounts would allow contribution to be matched by the village. Let me explain that. Employers can contribute to these accounts on behalf of their employees. Federal funding could be provided for a 1-to-1 match for every dollar up to \$1,000 for individuals making less than \$50,000. States can contribute using the TANF dollars, nonprofits and other community based organizations serving lower-income families. Lower-income families could also be supportive and contribute to this act.

Also included in the discussion draft provision that would be a helpful option are for smaller employers, employers in my district who may want to offer paid family medical leave but the expense has been too great for them in the past. Section 103 of this proposal expands the pooling options for small employers by allowing small businesses to pool together to utilize existing pooling mechanisms the Department of Labor and IRS specifically have applied to paid family medical leave.

If these things are done, then this is a huge advantage for our small business community in their desire to offer paid family medical leave and other benefits to their most important employees.

Again, we have seen the need for flexibility, a one-size government-fits-all program is not going to be the right answer. It is not the solution. The same solution can't be applied to a large corporate entity that is to a small business.

So with that, Ms. Milito, I would like to ask you to comment on how you think the flexibility of these programs that I just described, expanded to include the paid family medical leave, could allow the assistance to families in the terms of flexibility. Do you think that these type programs are needed, beneficial, and flexible in providing these benefits?

Ms. Milito. Thank you, Representative Ferguson, for the question, and also for

your thoughtful work in thinking outside the box in crafting what could be a good solution for this.

We would welcome anything. I think NFIB and our members would welcome anything that could potentially reduce the costs of employee benefits for small employers. We have supported pooling other benefits such as health insurance, but we have not yet had the opportunity to study the pooling's potential impact on the paid family leave, but will welcome the opportunity to do so.

I also think that many small business owners would welcome, you know, tax credits too, giving employees additional money to help pay for that would be welcomed by small business owners who are, you know, again, parents themselves and could use the credit. Because you are so right too that -- I mean, I have never seen a comprehensive, universal, government-run policy or benefit program that offers flexibility, and that really is key when coming up with a solution along these things. That is what our small business owners are looking for there. So I thank you for your work on this important topic.

Mr. Ferguson. True thing. And, look, I can tell you that as a former small business owner, you know, flexibility is key. And I will say this, I have said it time and time again, we want to do the right things as business owners for our employees, but I can't do the same thing that, again, a large corporation can do. So if I have the flexibility, I am going to protect my most valuable asset, which is the people that are working in my business to make it successful. So I thank you for your comments.

And, Mr. Chairman, I will yield back.

Chairman Davis. I want to thank you, Mr. Ferguson.

I want to thank all of the witnesses for their testimonies today. I also want to thank all of the staff from both sides, Democrats and Republicans, for your work. I want to thank all the Members who participated today, those who are members of the

subcommittee, as well as those who waived on.

Please be advised that members have 2 weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record.

And with that, the Subcommittee on Worker & Family Support stands adjourned.

[Whereupon, at 12:22 p.m., the subcommittee was adjourned.]

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