



President Trump's Child Care Proposal



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What's Included in the President's Plan?

President Trump's child care plan, which he proposed last fall during his campaign for the presidency, seeks to help families gain access to quality programs through changes in the tax code. More explicitly, his proposal would allow parents with up to four children to deduct child care expenses from their income taxes. In addition, the President proposes six weeks of paid maternity leave (fathers are not eligible) and includes a rebate of up to \$1,200 annually for low-income families. Families who earn more than \$500,000 would not be eligible for a tax break, and single parents making more than \$250,000 would also not qualify.

President Trump proposes using unemployment insurance as a "pay for" to finance his maternity leave plan.

Where President Trump's Child Care Plan Falls Short

While the President's attempt to address child care is admirable, his plan is not designed to change the status quo or help lower income families, and will do little to address the issue that we currently have regarding limited access to quality care. In fact, President Trump's proposal is flawed on many fronts:

- Paid leave is only for mothers – fathers are not included – and has the potential to disadvantage women in the workplace (40 percent of women are breadwinners);
- Assuming paid leave is around 40 percent of actual wages, many low-income women would not be able to afford to take this time off. We need a federal child care policy that includes a true mechanism for funding paid leave;
- Tax deductions typically benefit more affluent families since the bottom 40-47 percent of the population doesn't actually make enough money to pay federal income taxes;
- Child care spending accounts are less fraught than health care spending accounts because child care costs are easier to predict. However, this type of account assumes that most working families have the capacity to save; and
- The President's plan would cost between \$200 to \$600 billion over the next 10 years, with most of these funds going to higher-income families.

This one-pager was completed by staff on Child Care Aware® of America's policy team. For more information on child care policy, research, and legislation visit <http://usa.childcareaware.org>.