



Smart policies for today's families.

May 4, 2021

Testimony in Support of HB 2440
Extension of the Working Family Dependent Care Tax Credit
Submitted by Chloe Becker on behalf of Family Forward Oregon

Chair Nathanson, Vice-Chairs Pham and Reschke, and Members of the House Committee on Revenue,

Thank you for the opportunity to provide testimony in support of HB 2440, the extension of the Working Family Household and Dependent Care Credit on behalf of Family Forward Oregon. Family Forward's mission is to advance economic justice for mothers and caregivers and to change systems to better support caregiving.

Even before the COVID-19 pandemic, we were in a child care crisis. Families can't afford child care, even when they do qualify for assistance. Child care providers, who are disproportionately women of color and immigrants, earn less than \$12 per hour. Children experience unstable care due to high turnover in the field and a child care system that doesn't meet their family's needs. You have probably heard that child care is unaffordable and wages for providers are low, but let me say more about what that means:

- Child care for two children — an infant and a 4-year-old — costs \$20,109. That's 2 times the average rent in Oregon.
- Infant care in Oregon costs, on average, 31.4% more per year than in-state tuition for a 4-year public college.
- Child care workers are paid so poorly that 53% of them nationally rely on one or more public benefits, whether Food Stamps, Medicaid, EITC, or TANF.

This has only been exacerbated during COVID — where we have lost close to half of our pre-COVID child care supply. We have seen that the impact this, combined with other factors, is having on maternal employment. Women account for the majority of jobs lost during the COVID crisis, though there has been a clear disproportionate impact on Black, Latinx and Pacific Islander mothers who are losing more jobs and remaining unemployed longer.

As we rebuild and reimagine Oregon's child care system, the state of Oregon should use all available tools to support families, including the extension of the refundable Working Family Household and Dependent Care Credit as outlined in HB 2440. This tax credit is not a substitute for transformative child care policy changes or direct assistance to families. Tax credits alone will not build child care supply, grow our child care workforce, develop new facilities or otherwise make child care more available. But the WFHDCC is a complimentary program providing financial support to families who can find care, in tandem with programs like ERDC. Beyond child care, this credit also provides critical support for families with other dependent care needs, who depend on this credit to offset the additional costs they assume in caring for a family member with increased needs.

We urge your support of HB 2440.