It’s Time to Care
The Economic Case for Investing in Care

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The COVID-19 crisis has taken an enormous toll on women in the United States, and exposed the extent to which women’s labor — paid and unpaid — is the unacknowledged backbone of our collective economic health. Women, especially Black and Latinx women, have been working on the frontlines of the pandemic, putting their lives at risk to serve their communities. At the same time, women are concentrated in the sectors that saw and continue to experience the biggest job losses all while increasing care needs — from child care to elder care — have squeezed women from all sides.

Building a robust care infrastructure is good for women and a cornerstone of a resilient and sustainable economy.

In this new issue brief from Time’s Up, Measure Up, authors Rakeen Mabud and Lenore Palladino make the case that a major public investment in the care sector is urgently needed to bolster our economic health. Building a robust care infrastructure will shore up recovery efforts by creating millions of jobs for the disproportionate number of women, especially women of color, hit by this crisis and by allowing unpaid caregivers to return to the labor force. In addition, this investment will lead to job gains concentrated in sectors where workers will spend their increased wages on goods and services, which will strengthen our economy at large.

The Biden-Harris Transition Team has proposed a $775 billion investment over 10 years to build a caregiving infrastructure by investing in Medicaid and child care, and improving the quality of care jobs. This issue brief does not model the transition team proposal specifically, but it builds on its approach by highlighting the employment effects of public investment in care.
Key Findings

Investing $77.5 billion per year would support **over two million new jobs**, at an average cost of $34,496 per supported job. Over 10 years, this translates to **22.5 million new jobs**. Annually, a $77.5 billion investment in new jobs translates into **$220 billion in new economic activity**.

Sixty-five percent of the jobs — approximately 1.5 million jobs — resulting from such investment would be in child care, residential care, and home health care. An additional 225,000 jobs can be created or supported in sectors that support care work, and over 500,000 jobs would be supported in other sectors as direct care workers spend their wages on goods and services. Because the approach we use is a linear model and does not incorporate pent up demand for care services, we suspect our findings are conservative estimates.

In our analysis, we model the effect of a $77.5 billion annual investment divided equally across the child care, residential care, and home health care sectors. We do not intend to suggest that $77.5 billion annually is the exact figure that should be invested, or that it should be divided evenly across these three sectors, but our estimates provide a useful benchmark for how such an investment might affect our economy. While addressing job quality is beyond the scope of this brief, pairing public investment in the care sectors with increased worker safeguards should be a key part of any proposal to build a sustainable care infrastructure. Investing in high-quality jobs will likely require additional investments beyond what we model in this paper.

Other key findings include:

- **Sectors that are overwhelmingly made up of women of color and low-paid workers would experience major job creation.** Women are 94 percent of the child care sector; 89 percent of the home health care services sector; 84 percent of the nursing care sector; and 76 percent of the residential facilities sector. African-Americans comprise between 18 to 31 percent of the employees in these sectors, while Latinx employment range from 13 to 22 percent, and Asian employment between four and six percent.

- **Food service and retail — major employers of women and low-paid workers that have been extremely hard hit by the COVID-19 recession — would experience the highest increase in non-care sector employment.** The investment would create or support over 81,000 jobs in food services and 45,000 in retail. As of December 2020, the retail unemployment rate stood at 5.9 percent (compared to 3.9 percent in December 2019); while food service stood at 16.1 percent (up from 5.0 percent in December 2019).

At this inflection point in our economic future, investing in care is one of the best policy choices we can make.

This paper is a foundational product of Time’s Up, Measure Up. Learn more at timesupmeasureup.org.