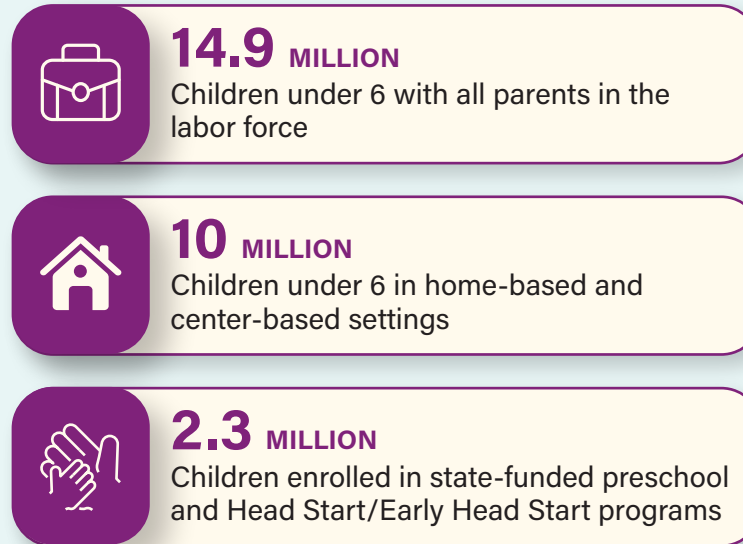


# AMERICA'S CHILD CARE CRISIS — IMPACTS AND OPPORTUNITIES

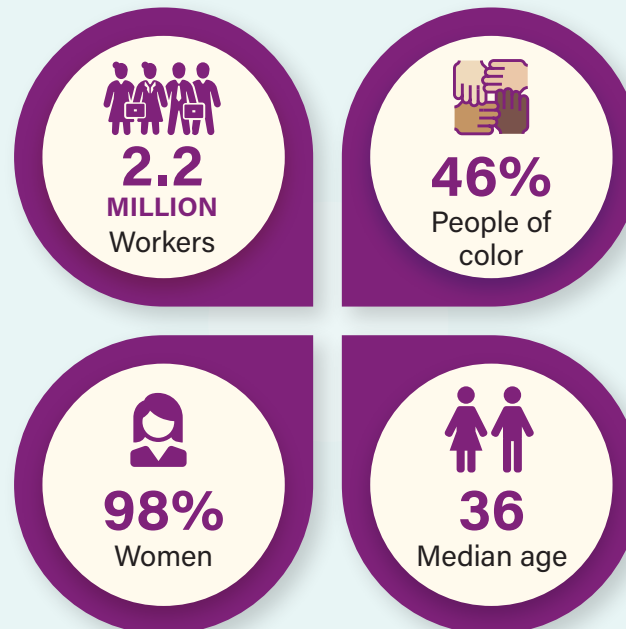
Early care and education (ECE) is essential infrastructure—enabling parents to work, businesses to thrive, and children to grow into healthy, productive adults. Yet the system is collapsing under the weight of high costs, low wages, and widespread staff and program shortages. Families pay more than they can afford, while early educators earn less than they can live on. Employers lose billions each year in productivity, while children miss out on the early learning experiences that shape their futures. And the price of inaction is far greater than the public investment needed to build a sustainable system that works for everyone.



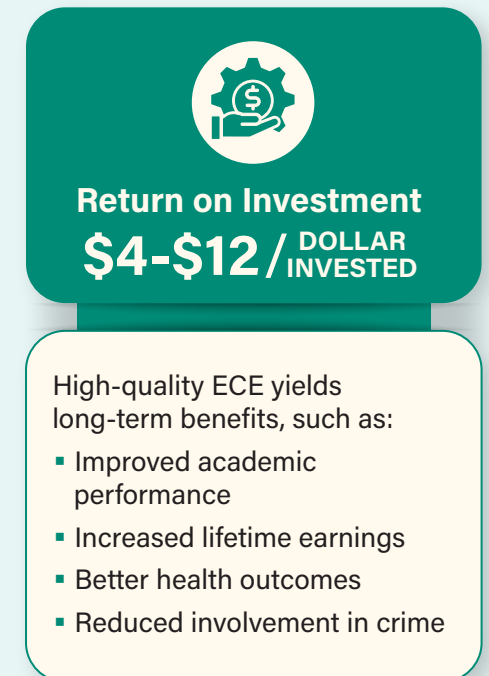
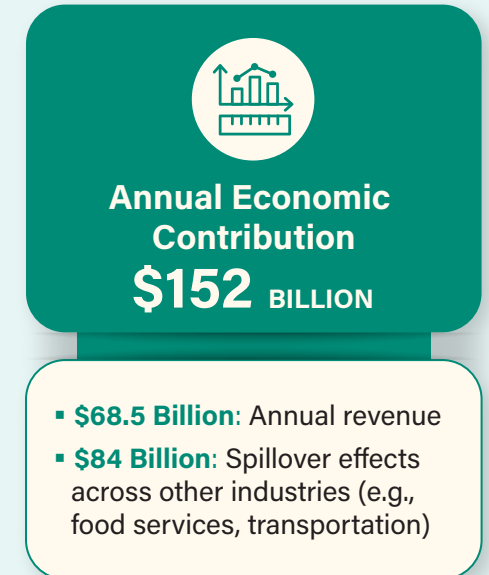
## WHO NEEDS EARLY CARE AND EDUCATION?



## WHO PROVIDES EARLY CARE AND EDUCATION?



## ECE IS A HIGH-VALUE INVESTMENT



## AFFORDABILITY

### Parents Cannot Afford to Pay More

**\$10,853**

Average annual cost of full-time child care

**38 STATES**

Child care costs more than public university tuition

**17 STATES**

Child care costs more than average rent



**33%**

Share of single parents' median income spent on child care



**10%**

Share of married couples' median income spent on child care



**7%**

DHHS recommendation of maximum income spent on child care

### Early Educators Cannot Afford to Earn Less

**98%**

Occupations offering higher average wages

**\$14.<sup>60</sup>**

Median hourly wage of early educators

**43%**

ECE workers who rely on public assistance (e.g., SNAP, Medicaid)

## CHILD CARE SHORTAGES

### Impact on Economy



**\$172** BILLION LOST PER YEAR DUE TO INSUFFICIENT CHILD CARE

- **\$134 Billion:** Annual cost to families in forgone earnings and job search expenses.
- **\$38 Billion:** Annual cost to businesses because of turnover and absenteeism among working parents.

### Impact on Families

**26%**

Parents who have quit a job due to child care problems; 23% of parents have been fired for similar reasons

**51%**

Families living in child care deserts (areas without enough child care capacity to meet families' needs)

**60%**

Parents who do not work full-time but would choose to do so if they had access to affordable child care

**94%**

Women make up the vast majority of parents involuntarily working part-time due to insufficient child care

# PUBLIC INVESTMENT: A SUSTAINABLE SOLUTION

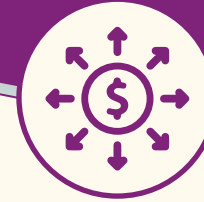
Given that ECE is essential social infrastructure, it must be funded as such, similarly to public schools and interstate highways. Currently, the ECE system is subsidized by underpaying teachers, leading to reduced workforce quality, a severe teacher shortage, and a crisis-level lack of child care and early learning programs. Public investment is the only sustainable way forward.

## What a Sustainably Funded, Quality ECE System Looks Like



- **Fair compensation for educators:** ECE jobs that offer benefits, career pathways, and wages that are on par with K-12 teachers.
- **Expanded access:** Subsidized or no-cost child care slots for families across the income spectrum so that families never pay more than 7% of their income.
- **Quality improvements:** Funding for training, facilities, and program standards that meet children's developmental needs.
- **Public responsibility:** Financing that comes from progressive revenue sources, such as taxing corporations, to reflect shared responsibility for children's care and education.

## From Vision to Reality: How States are Leading the Way



### **New Mexico: Established a constitutional right to no-cost child care**

- **Sustainable Funding:** Ensures long-term stability through a \$10B Early Childhood Trust Fund, powered by state natural resource revenues.
- **Workforce Investment:** Incentivizes providers to raise entry-level educator wages to a minimum of \$18/hour.
- **Family Impact:** Delivers an average household savings of \$12,000 per year, drastically increasing disposable income for working families.

### **Connecticut: Created a \$300M endowment to cap child care costs**

- **Middle-Class Relief:** By 2027, families earning up to \$100,000 will pay \$0 for child care.
- **Universal Affordability:** Limits child care expenses to a maximum of 7% of household income for all other families.
- **Systemic Support:** Allocates dedicated funding for educator health benefits, professional development, and modernizing facilities.



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