



POLICY BRIEF

BUILD A STRONG CHILD CARE AND EARLY EDUCATION SYSTEM

THE PROBLEM

Child care and early learning opportunities help children get the strong start they need to succeed and enable parents to work so they can support their families and/or go to school to attain the skills they need to improve their economic circumstances. Yet, our child care and early learning system is fragile. The system was brought to the brink of collapse by the COVID-19 public health crisis, but it was under tremendous strain long before the pandemic.

The average annual cost of child care for one child ranges from approximately **\$5,700 to \$25,500**. Low-income families (less than \$50,000 a year for a family of four) with children under 5 that pay for child care spend **35% of their income on child care, compared to 7%** for higher-income families (more than \$150,000 a year for a family of four). Child care is particularly difficult to find and afford for families with infants or children with special needs and parents working nontraditional hours (evenings, nights, weekends, or irregular schedules). At the same time, child care workers—who are predominantly women and **disproportionately women of color**—are paid poverty-level wages. The median wage for child care workers is just **\$14.60 per hour**, and Black and Latina **child care workers** often earn **even less** than their white peers. The Child Care and Development Block Grant (CCDBG), the major federal child care program, aims to address these challenges by helping low-income families afford child care, improving the supply of child care, and supporting child care programs and early educators, but it falls far short of meeting the need. Just **one in six** children eligible for federal child care assistance receives help. And the last of the temporary federal relief funding that helped support the child care sector during the pandemic expired at the end of September 2024.

THE SOLUTION

- **Protect and then build on state investments, and advocate for federal investments,** to help families—particularly low- and moderate-income families—find and afford stable, high-quality child care for infants through school-age children. State investments should be supported by progressive funding sources.
- **Invest in strategies and initiatives that support early educators and child care providers:**
 - Support salary supplements, access to health insurance and retirement benefits, free child care for early educators’ own children, and other initiatives that enable early educators to receive a living wage and benefits and to have a pathway to higher wages equivalent to similarly qualified K–12 educators.
 - Support initiatives to expand and ensure equitable access to professional development for early educators.
 - Increase payment rates to child care providers that serve families receiving child care assistance, use payment practices in the child care assistance program that reflect practices used in the private market—such as paying based on enrollment rather than attendance—and provide equitable access to additional incentives and supports to enable providers to improve their quality.
 - Support housing and zoning policies that enable home-based providers to afford to rent or own the homes where they provide care and to operate their child care programs.
- **Ensure all families have child care options that meet their diverse needs:**
 - Fund grants, technical assistance, teacher recruitment efforts, and other initiatives to build the supply of affordable, high-quality child care for infants and toddlers, children with special needs, and children in underserved areas, including low-income communities and rural areas.
 - Ensure parents who work nontraditional and unpredictable hours have child care options that meet their needs, by providing higher payment rates to child care providers offering these hours and other incentives, training, and supports to offer nontraditional-hour care.
 - Ensure child care programs and resources are available to a full range of child care providers, including [family, friend, and neighbor \(FFN\) care providers](#).
- **Fully implement the requirements of the revised federal CCDBG regulations,** as well as the policies encouraged by the regulations, which are designed to reduce cost burdens for families receiving child care assistance, make it easier for families to receive child care assistance, improve payment practices for child care providers, and achieve other important objectives.
- **Ensure your state (if it has a personal income tax) has a fully refundable child and dependent care tax credit (CDCTC)** so that families with little or no tax liability can take advantage of the credit.
- **Invest in well-designed prekindergarten initiatives:**
 - Make high-quality, full-school-day prekindergarten programs available to all 4-year-olds whose families want them to participate and, once prekindergarten is universally available to 4-year-olds, expand prekindergarten opportunities for 3-year-olds, beginning with low-income children.

- Design prekindergarten initiatives to include set-asides for infant-toddler care.
- Make state funding for prekindergarten programs available to schools, child care centers, family child care homes, Head Start programs, and other community-based providers that meet high-quality standards.
- **Establish a grassroots council** of parents, providers, and other community leaders—with compensation for their time and expenses for participation—on how to best raise revenues for state investments and use funding to support the most underserved.

TALKING POINTS ON THE SOLUTION

- **The COVID-19 public health crisis** brought the already fragile child care system to the brink of collapse—and demonstrated how fundamental child care is to children, families, and the economy. We must provide significant new, and ongoing public investments to rebuild the child care system and make it more resilient and equitable.
- **Parents are struggling to pay for child care** and cannot afford to pay more than they already do, but current fees are not sufficient to support adequate pay for early educators. Public investment is essential to solve this dilemma without placing a greater burden on parents or early educators.
- **Families unable to receive child care assistance due to long waiting lists** or restrictive eligibility criteria are often forced to use a patchwork of unstable arrangements, causing disruption for children, more stress for parents, and a risk of job loss. Families that stretch to pay for reliable child care often struggle to pay for other necessities.
- **Child care assistance helps everyone**—parents are able to support their families, children can learn and thrive, and employers can keep skilled, productive workers.
- **Early educators are always essential** and should be compensated accordingly.
- **The lack of affordable, high-quality child care is costing the United States** an estimated [\\$122 billion each year](#) in lost earnings, economic productivity, and foregone revenue.
- **Following the expiration of federal child care stabilization funding** (which had been provided through the American Rescue Plan) in September 2024, the [share of parents without access to child care](#) increased in states that did not dedicate additional state funding for child care. However, in states that did dedicate additional state funding to child care in the aftermath of the cliff, the share of parents who couldn't access child care barely rose.

PUBLIC POPULARITY

- Sixty-eight percent of all voters say access to high-quality, affordable child care is “essential/very important” to strengthening the economy. This includes 53% of Republicans, 64% of Independents, and 84% of Democrats.
- Eighty-four percent of voters agree that “child care is essential to our country’s workforce and economy, and we should invest in it just like infrastructure such as roads and bridges.”

STATES THAT HAVE PASSED THESE POLICIES

- Progressive and conservative states are investing in child care, recognizing how critical it is to their families and economies:
 - Vermont enacted legislation that will invest \$125 million annually into child care, allowing the state to expand the income eligibility limit for its child care assistance program from 350% to 575% of the federal poverty level by the end of 2024 as well as to increase child care provider payment rates by 35%, invest in the workforce and facilities, and cover 100% of child care fees for families with incomes up to 175% of the federal poverty level.
 - Kentucky designated \$50 million in state funds to extend child care stabilization grants previously funded by federal American Rescue Plan funds, and was the first state to make those working in licensed or certified child care programs categorically eligible for child care assistance for their own children.
 - New Mexico approved a constitutional amendment via ballot initiative in 2022, guaranteeing a right to early childhood education with dedicated revenue from a percentage of the state’s land grant permanent fund.

[Click here](#) for additional child care messaging guidance.