



Policy Proposal: Universal Child Care

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Child care in America is broken. We need to do better.

Why such a short summary today?

If you can find me a single person that believes that the American child care system as currently constructed is working, I'll take the time to write a more thorough summary. Everyone knows it's broken.

Humor me: how broken is it?

Let's start here: ~70% of all young children have all their available parents in the workforce. For them, full-time parental child care isn't even an option. In New York, one parent would have to earn over \$92,000 per year to allow the other to stay home while still covering basic living expenses; that number is even higher in New York City. Mothers who take time off to provide family care earn \$237,000 (15%) less over their careers than they would have otherwise. Over 2 million parents reported job changes due to problems with child care. Child care is not a "nice to have," it's essential.

Taken in the aggregate, the nation's child care crisis costs our country \$172 billion per year in lost earnings, productivity, and tax revenue; \$134 billion of that is foregone earnings and job search expenses (that's \$6,980 per working parent!).

We need child care; but what's the problem?

There are two: access and cost.

The cost of child care is astronomically high. Nationally, between 1990 and 2024, child care expenses more than tripled, growing faster than the cost of wages, groceries, or housing. The median family in 2024 paid \$800 for care, or \$1,100 for those who needed 20+ hours of care per week. That represents 50%-70% of families' total housing payments, meaning it is frequently the largest expense for households. Anyone who lives in NYC will look at those numbers with jealousy – the figures here are significantly higher.



The cost of child care pushes 134,000 families into poverty each year; children living in poverty are more likely to experience negative health and development outcomes. Almost 500,000 families annually are pushed into a lower income bracket by child care costs.

Among the 5.1 million families that pay for child care each year, ~43% pay what the U.S. Department of Health and Human Services defines as unaffordable rates. One study suggests that to meet the threshold for affordable care, a family would have to earn over \$400,000 per year, which is 176.5% more than the average income for a two-child household.

When parents complain about the cost of child care, they are very much justified and supported by the data.

The second issue is one of access. An estimated 46% of children under the age of 6 live in a “child care desert” – in New York that figure is ~35%.

Even worse, more than 80% of families report difficulty finding or accessing the care they want for their children, with lack of open slots for new children and cost the two most common reasons.

Even worse than that, Trump’s Big Beautiful Bill has made the situation yet more dire with reductions in state budgets resulting in waitlists exploding or being frozen entirely in states from Indiana to West Virginia, Colorado to Missouri.

What’s causing this issue?

First, the reality is that we invest 3x less per child on care and education in the first five years of their lives than we do in the next thirteen years – thus there are few issues for children ages 5-17, who are taken care of by the local K-12 school district, but massive constraints on parents with younger kids. We know quantitatively that more investment would have an impact: one study found that every 1 percent price increase resulting from expansion of child care subsidies from 2012-2018 led to a more than 10 percent increase in total local child care capacity.



Second, rising operating costs are forcing child care centers to raise their prices. Food, supplies, insurance and rents/mortgages are all going up and centers have no choice but to respond, often making care unaffordable to parents, reducing enrollment, and causing center closures, creating a vicious cycle.

Third, there aren't enough workers to staff the child care facilities we need. How could there be when child care workers make less than 97% of all other paid professions? In 2023, the national median hourly wage of a child care teacher: \$14.60. That's \$10 per hour less than the estimated livable wage to cover basic necessities! Almost 50% of early educators rely on public assistance like Medicaid or SNAP. The median wage for a retail employee is \$16 and that might at least come with benefits.

What can the government do?

Intermediate-term: universal, free care. Most of the rest of the developed world is there already, it's time we got on board.

The federal government can start by providing federal matching funds to states that are developing universal birth-to-5 care infrastructure. It can also enhance/make permanent key tax credits – like the child tax credit – designed to provide financial relief to families. But we need to get to a place where the government funds a system of care that includes a range of choices for families including community centers, family child care homes, Head Start programs, and faith-based providers.

What the federal government cannot allow is for states to try to fill the shortage in providers by reducing standards of care. The data shows that the outcomes are lower quality of care, more caregiver turnover/burnout, and dangers to the health and wellbeing of children.

Immediate-term: as referenced in my earlier Jobs of National Priority proposal, let's work to make child education a rewarding career. Government-sponsored education/vocational training programs, financial incentives to enter/remain in the field, and unique benefit offerings can all play a role in matching educators' compensation with their level of community importance.



There are also a number of ways that the government can improve compensation of providers to reduce their financial precarity (e.g., prospective payment structures), use grants to incentivize developing types of programs with an especially acute shortage (e.g., infant/toddler care, care for children with disabilities), and assist with updating the physical facilities child care centers utilize to offer their services.

Right now in the House, the Child Care for Working Families Act is pending and should be strongly supported.

Lack of access to child care imposes a massive burden on our families and our nation. We must have universal, free child care; our youngest Americans, in key formative years of their development, deserve every bit of the support that we give to children who have entered the K-12 education system. Child care workers making far less than a livable wage, families pushed below the poverty line, massive losses to our country's productivity and tax base – we should be embarrassed into action. Unfortunately, Rep. Clarke was insufficiently moved to cosponsor the Child Care for Every Community Act – cosponsored by 97 members of Congress – which would have funded an affordable child care and early learning program. Shame.

Sources include:

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