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PUTTING TODAY'S CHILD CARE IN CONTEXT

Taking the advice offered during the convening of national policy influencers, we are not devoting significant time and attention in this report to “loving the problem.” →



The child care crisis in America is long-standing and well documented. We share only some key statistics here to underscore its urgency and help explain the types of solutions this report is recommending.

When announcing our \$100 million investment in early childhood in July 2024, our foundation noted that American families, especially those with young children, cannot equitably access the resources they need to support their children during this critical developmental period. The lack of access to quality child care, skyrocketing costs, and inadequate pay and support for educators leave families with too few options and put countless parents—especially women—on the sidelines of our economy.



The child care crisis in America is long-standing and well documented.

Black and brown communities, in particular, bear the brunt of these impacts, deepening inequities that are only set to worsen with time. These critical issues were prominent when we launched WeVision EarlyEd in D.C. in 2022, and they continue to resonate across the country.

HIGH NEED AND INADEQUATE SUPPLY

The state of child care was precarious before the COVID-19 pandemic. In fact, a 2018 study from the Center for American Progress found that 50% of U.S. families live in communities defined as child care deserts—areas with so few providers or available child care slots that they do not have enough child care capacity to meet the needs of families.²

The child care sector suffered significantly as a result of the pandemic, with many programs closing and others struggling to stay open to



serve the needs of essential workers. More than one-third of child care jobs—370,000 jobs in total—were lost from February 2020 to April 2020. The historic \$24 billion federal child care stabilization program, which Congress approved as part of the 2021 American Rescue Plan Act, helped more than 225,000 providers nationwide—or more than 8 in 10 licensed child care centers—and affected as many as 10 million children.³ When that program expired in September 2023, it was expected that more than 70,000 child care programs could close and about 3.2 million children could lose their spots in a child care program.⁴



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Other studies have documented the trouble parents continue to have finding child care. The National Women’s Law Center released an analysis of Census Household Pulse Survey data in May 2024. It found that the share of respondents with children under 12 years old in their household who lacked child care increased from 17.8% to 23.1% between fall 2023 and spring 2024 in states without significant additional

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—THE HECHINGER REPORT

state funding to support the child care sector.⁵ Over the past two years, at least 11 states and the District of Columbia have dedicated significant new state funding to grants to child care providers, programs to support their child care workforces, or other solutions that directly support providers.

UNEVEN QUALITY AND LIMITED OPTIONS

A 2022 article from The Hechinger Report noted: “The need for increased child care access and quality have never been more important, and the child care industry has never been more fragile.”⁶ Standards and regulations that define

child care quality vary across and within states. These regulations also vary by setting or building type (homes, centers, or schools). This variation, coupled with insufficient public funding to incentivize quality, puts quality child care out of reach for most families. Calls to deregulate child care are increasing⁷ even as early childhood experts continue to point out the harm and costs associated with deregulation.⁸

Child care policies also have limited families by not supporting and honoring trusted caregivers as a publicly funded, quality, and valid child care option. A 2024 report from Capita stated: “Our external child care system of licensed child care, preschool, etc., could be considered a ‘visible’ child care system—but our economy and society depend heavily on the ‘invisible’ system of child care provided by parents at home (as well as family, friends, and neighbors).”⁹

HIGH COSTS

Nationwide, the average annual cost of care rose to \$11,582 per child in 2022, according to Child Care Aware of America’s 2023 annual report. It costs upward of \$18,000 per year for center-based care in high-cost-of-living areas such as parts of Massachusetts, California, New York, New Jersey, and Washington state. D.C. continues to have the most expensive child care in the country, at \$25,480 per year for an infant in center-based child care and \$23,431 per year for a toddler in center-based child care. In 2022, the average price of care for two children exceeded average housing costs in three of the four regions—Midwest, Northeast, and South. Also, the average price of child care for two children exceeds annual in-state university tuition in all four regions.¹⁰

LOW PAY AND CHALLENGING WORKING CONDITIONS

The ECE workforce is overwhelmingly women (97%) and disproportionately women of color (38%). Too many early childhood educators working in child care make rock-bottom wages and have subpar benefits and working conditions.

According to the U.S. Bureau of Labor Statistics, in 2023, child care workers earned an average annual income of \$32,070, or \$15.42 per hour. The median hourly wage for child care workers in May 2023 was \$14.60, with the lowest 10% of child care workers earning less than \$10.79 per hour and the highest 10% earning more than \$20.80 per hour.¹¹

INCREASED BUT INSUFFICIENT GOVERNMENT INVESTMENTS

According to the Center for American Progress, the past decade has seen a significant increase in attention on the United States’ ongoing child care crisis. In a 2024 timeline of federal legislation over the past decade, it notes: “Families with young children have long been subject to the insufficiency of the nation’s fragile child care system, and they continue to face barriers to finding, accessing, and affording high-quality care options. ... Yet only in recent years has

child care received broad national attention as a key policy priority.”¹²



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The Center for Early Learning Funding Equity stated in a 2024 report: “We found that our nation invests far less per child in the years before kindergarten than in the K–12 years, and it spends even less on infants and toddlers than on preschool-aged children. This comparison is not meant to argue against further investment in school-aged children or to imply that enough public dollars are spent on K–12 education. Instead, it is meant to highlight the degree to which our country is missing the opportunity to invest in our youngest children’s development—an investment research shows will pay dividends down the road. Access to high-quality learning opportunities matters every bit as much at age two as it does at age nine.”¹³