Child Care as Economic Infrastructure

Challenges, State Solutions, and the New Economics of Financing Care

A Brief for State Economic Development Leaders

Kenneth E. Poole, Ph.D. | President & CEO, Center for Regional Economic Competitiveness (CREC)
June 2026 · A follow-up to "The Impact of the Childcare Challenge on Regional Economic Competitiveness"

Executive Summary

Child care determines whether parents can work. For state economic development leaders, that makes it economic infrastructure, not a social program, because inadequate access slows growth by shrinking the available labor force.

States are responding with a widening menu of tools. Most lower the price families pay. A few expand the supply of care. The two are not interchangeable, and the binding constraint differs by region.

The most important shift is in financing. New models blend employer, family, philanthropic, and private capital with public dollars, rather than relying on appropriations alone. Cost-sharing programs, an expanded federal employer credit, community development finance, and shared-services alliances now let states stretch limited public money much further.

1. Why Child Care Is Economic Infrastructure

Economic development succeeds when talent, capital, and employer demand line up. Child care now sits inside that equation. When care is unavailable, unaffordable, or unreliable, parents (both men and women) leave or reduce their availability for work, and the labor market shrinks even when the population does not. The Conference Board's Committee for Economic Development reaches this conclusion directly, describing child care as critical economic infrastructure and showing that states with stronger access post higher workforce participation, higher household incomes, and lower poverty (Committee for Economic Development, 2024).

The Federal Reserve has reached the same conclusion through its maximum employment mandate. A system-wide synthesis attributes roughly $122 billion in lost national annual output to child care disruptions (Fed Communities, 2026), and the Federal Reserve Bank of St. Louis frames reliable care as a precondition for parental work (Gascon & Hernández Kent, 2025). Looking forward, the Bipartisan Policy Center projects cumulative losses of $216 billion to $329 billion over the next decade (Bipartisan Policy Center, 2025). State economic development leaders should read these as competitiveness numbers, not social-policy numbers.

2. The Key Challenges

A shrinking effective labor force

Labor force participation among parents of young children remains below its potential. Drawing on foundational research and current employer surveys, inadequate access to affordable care reduces overall participation and holds parental participation well below what universal, affordable care would support (Baker, Gruber, & Milligan, 2008; U.S. Department of the Treasury, 2021). The effect concentrates in industries with large shares of women in the workforce, including health care, hospitality, logistics, and retail. The results are not only reduced participation, but slower career development and the loss of productive younger workers at prime development points in their careers. These interruptions also follow workers into retirement. Years out of the labor force for care reduce lifetime earnings, retirement savings, and Social Security credits, so a short pause early in a career compounds into weaker retirement security later (Madowitz, Rowell, & Hamm, 2016). Unreliable care also reaches employers who keep these workers: when arrangements fall through, parents of young children miss work and are less focused on the job, so the same constraint that lowers participation also lowers productivity (Abbott, 2021).

The cost concentrates where businesses can least absorb it. A recent analysis estimates that unstable child care costs U.S. employers up to $70 billion a year in lost workforce output, and that roughly 60 percent of that loss—$35 to $45 billion—falls on the foundational workforce: the shift-based, operationally essential roles in health care, manufacturing, retail, hospitality, transportation, education, and the skilled trades that make up about 80 percent of U.S. workers (Moms First, 2026). These are jobs where one absence stops a production line, leaves a nursing shift uncovered, or closes a checkout lane, so a child care breakdown becomes lost output, not just lost convenience. The strain is sharpest in rural areas, where 55 percent of children under five live in a child care desert and a missed shift often has no backup (Moms First, 2026).

This divergence is visible in the most recent federal data. Among all prime-age adults, men participate in the labor force at 89.2 percent and women at 77.7 percent, a gap of 11.5 points. Among parents of children under age 6, the gap nearly triples to 27.3 points. Fathers of young children participate at 95.3 percent, above the overall prime-age male rate, while mothers participate at just 68.0 percent, well below the overall prime-age female rate (Figure 1). Children do not pull men and women in the same direction: they raise fathers' participation and lower mothers'. That divergence is the labor-supply cost of the child care constraint, expressed in a single comparison (U.S. Bureau of Labor Statistics, 2025, 2026). Although the gap falls hardest on mothers today, the disruption is not confined to women: men and women in the foundational workforce report child care breakdowns at similar rates, even as the consequences land differently (Moms First, 2026). Child care is a whole-workforce constraint, not only a women's issue.

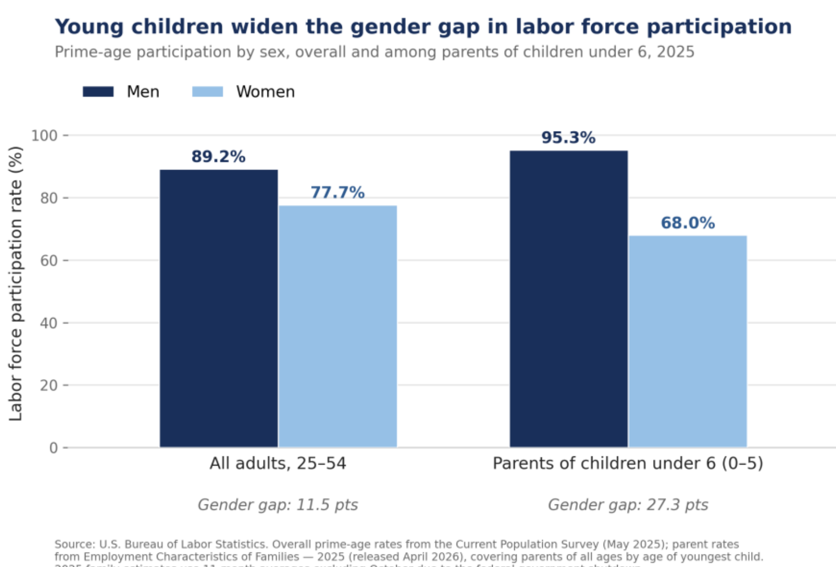

Figure 1. Prime-age labor force participation by sex, overall and among parents of children under age 6, 2025. Source: U.S. Bureau of Labor Statistics, Current Population Survey (May 2025) and Employment Characteristics of Families—2025.

Real and rising business costs

Care breakdowns reach employers as absenteeism, turnover, and lost productivity. The average cost of replacing a worker runs from roughly one-quarter to two-fifths of annual salary, with higher costs in specialized roles (Bahn & Sanchez Cumming, 2020). Federal data bear this out: mothers of children under five disproportionately cite child care problems as their main reason for missing work (Federal Reserve Bank of Chicago, 2024), and across the foundational workforce, absenteeism together with on-the-job presenteeism is the largest single share of the loss employers absorb (Moms First, 2026). The U.S. Chamber of Commerce Foundation estimates that child care disruptions cost states an average of about 0.4 percent of GDP each year (U.S. Chamber of Commerce Foundation, 2024). Employer surveys confirm the pattern at the state level, with large majorities reporting hiring, retention, and productivity effects (Virginia Chamber of Commerce Foundation, 2025).

A two-sided problem: affordability and supply

Two distinct failures drive the challenge. On the demand side, care is unaffordable: annual costs exceed $12,000 in many states and consumers tend to spend well above 7 percent of their salary on child care (a standard affordability benchmark) (Bipartisan Policy Center, 2020; Economic Policy Institute, 2025). On the supply side, the market fails to balance. Families cannot pay more, yet providers cannot sustain operations or retain staff at the wages those prices support (Woods, 2025). Provider surveys show the strain, with a rising share of centers reporting unsustainable compensation even after tuition increases (Federal Reserve Bank of Minneapolis, 2025). The result is chronic staffing shortages and child care deserts, particularly in rural regions.

This distinction organizes any solution that might be recommended. Demand-side responses seek to lower the price families face. Supply-side approaches seek to expand or stabilize the care available. A well developed state strategy must address both sides of the equation. The federal backdrop adds urgency. In 2026, the federal government rescinded several Child Care and Development Fund affordability protections, including the cap that held subsidized families' copayments to 7 percent of income. The change, effective July 13, 2026, shifts more of this responsibility to the states (U.S. Administration for Children and Families, 2026).

3. Demand-Side Solutions Being Tried in the States

A review of the C2ER State Business Incentives Database shows that most state child care incentives work the demand side, rewarding employers or donors who help families pay for care (Council for Community and Economic Research, 2026). As of early 2026, roughly 25 states maintain a business tax credit for employer-supported child care (Bipartisan Policy Center, 2026b). Three demand-side approaches dominate.

Employer tax credits

Two tax credit variants appear. Facility credits reward employers that build, operate, or sponsor care for employees, as in Arkansas, Colorado, Georgia, Indiana, Iowa, Kansas[1], New Mexico, and South Carolina. Contribution credits reward employers that help pay employees' care costs without building anything, the model used by Pennsylvania and, in part, Alabama. Both are low-cost to the state and employer-led, but on their own they subsidize demand more than they expand supply. Deployment matters, however: the expanded federal 45F now counts workforce investments—training staff, funding scholarships, and raising compensation

[1] Kansas modernized this credit through Senate Bill 82, signed in April 2026, raising the cap to $100,000 and broadening eligible expenses, but replacing the credit's refundability with a three-year carryforward (Kansas Legislature, 2026).

for employees with greater child care training—as qualified facility costs (Internal Revenue Service, 2026), responding to the workforce bottleneck that limits capacity. Utah's HB190 stacks a state credit on the federal credit, returning up to 80 cents on the dollar for small businesses. Iowa's Child Care Solutions Fund matches business contributions two-to-one to fund provider wages and expansion (Moms First, 2026). Structured this way, an employer credit can help build supply as well as help lower price.

Charitable-contribution credits

Colorado and Nebraska credit taxpayers and businesses that donate to promote child care. These tools draw in philanthropic and corporate giving and can support either affordability or, depending on design, provider capacity.

Cost-sharing ("Tri-Share") programs

The fastest-spreading model splits the cost of licensed care three ways, among the state, the employer, and the family. Michigan pioneered Tri-Share as a 2021 pilot and has since taken it statewide (Public Sector Consultants, 2024). Versions now operate or are piloting in Connecticut, Indiana, Kentucky, New York, North Carolina, North Dakota, Ohio, and West Virginia, with local pilots in Missouri and Texas (Center for Law and Social Policy, 2024; EdSurge, 2025). Programs target "cliff" families who are priced out of the market but earn too much to receive public subsidies. For instance, Michigan reaches households up to 400 percent of the federal poverty level.

Administration is a defining feature. Tri-Share is rarely run by a single line agency. A state agency funds and oversees it while a nonprofit or a network of regional facilitator hubs handles enrollment, provider coordination, and the three-way payments. Michigan works through the Department of Lifelong Education, Advancement, and Potential with United Way of Northwest Michigan as statewide partner. Kentucky runs its program in-house through the Cabinet for Health and Family Services. North Carolina uses local Smart Start partnerships. New York oversees regional hubs through the Office of Children and Family Services. Ohio operates through its Department of Children and Youth. North Dakota runs its pilot through Health and Human Services (Center for Law and Social Policy, 2024; BridgeCare, 2025). Administrative cost runs near 9 percent of funding (BridgeCare, 2025).

Cost-sharing brings real benefits and real limits. Employer and family dollars join the state's, and participating employers report stronger retention and recruitment (Public Sector Consultants, 2024). Yet by its designers' own account, Tri-Share was built as workforce development, not as a supply fix, and outside analysis finds it helps a limited group of eligible families but does not help build additional supply or reach scale (The Century Foundation, 2025; EdSurge, 2025).

4. Supply-Side Solutions Being Tried in the States

Fewer states act on supply, but these are the tools that address shortages and deserts directly. The C2ER database and recent state activity point to four approaches.

- **Provider operating grants.** Alaska funds licensed providers with direct grants that stabilize operations and preserve slots.

- **Facility financing and capital access.** Virginia's Child Care Financing Program and North Dakota's Flex PACE provide loans and gap financing for construction and fixed assets, lowering the capital barrier to opening or expanding care.
- **Provider and quality credits (state income tax credits).** A few states credit providers directly through the income tax for raising quality or adding capacity. Alabama credits providers on a scale tied to their Quality STARS rating, and New York credits providers that create or expand infant and toddler capacity. Both credits are refundable—an important design feature, because many providers carry too little tax liability for a nonrefundable credit to reach them.
- **Direct public investment and educator wages.** A smaller set of states invests directly in the sector or in early-educator compensation. Michigan pairs Tri-Share with a PreK initiative and an educator wage pilot, recognizing that cost-sharing alone does not expand supply (Sullivan, 2025).

These tools seek to move the supply curve, but they tend to cost more and work more slowly than demand-side credits. Not surprisingly, leading states tend to layer these supply-side efforts with more immediate demand-side help rather than choosing between the two.

5. Regulation, Affordability, and the Supply of Care

Most rules governing care for children under six are set by states within a federal floor. Federal law requires every state to set staff-to-child ratios and group-size limits, conduct fingerprint-based background checks, and enforce basic health and safety standards; the binding operational details are then set state by state (U.S. Department of Health and Human Services, Office of Child Care, 2025). Those details shape both what care costs and how much of it exists.

How regulation shapes cost and access

Child care is labor-intensive, and staff-to-child ratios convert directly into labor cost per child. A one-to-four infant rule spreads one salary across four tuitions; a one-to-ten preschool rule spreads it across ten. Ratios are strictest for the youngest children—commonly about one-to-four for infants—and most states apply the youngest child's ratio in mixed-age rooms, so adding a single infant can sharply cut a room's capacity (U.S. Department of Health and Human Services, Office of Child Care, 2025; ZERO TO THREE, 2025). Together with staff-qualification rules, facility and zoning codes, and quality-rating systems, this is the central reason infant and toddler care is the most expensive and least available segment.

The cost gradient is measurable. One analysis finds that child care costs more than twice as much in the most heavily regulated states as in the least, and that where an associate degree is required for lead teachers, average infant care runs roughly $20,300, against about $11,000 where no education credential is required (Calder, 2025). The choice is not binary: the Child Development Associate credential offers a roughly 15-credit-hour middle path that signals competency without the cost and general-education requirements of a full associate degree. Licensing, facility codes, and zoning add further cost and slow the opening of new programs, a particular barrier in rural child care deserts.

How to read this evidence is contested, and economic development leaders should weigh all sides. Market-oriented analysts argue that regulation is a primary driver of high cost and thin supply, and that relaxing ratios, easing credential rules, and reforming zoning and immigration policy would expand families' options (Calder, 2025). Others find that regulation is not the main driver of shortages and warn that loosening ratios or qualifications trades child safety and developmental quality for marginal capacity improvements (Center for American Progress, 2025; ZERO TO THREE, 2025). Iowa's 2022 law raising allowable ratios and permitting 16- and 17-year-olds to staff rooms is the common test case (Gibbs et al., 2025).

Approaches that expand availability

A useful distinction separates harmful deregulation from constructive modernization. Most current reform activity expands supply without lowering core safety standards.

- **Modernize licensing.** Consolidate inspections, move applications online, grant credential reciprocity across states, and retire outdated facility rules to cut the time and cost of opening without changing ratios.
- **Build supply directly.** Startup, expansion, and facilities grants, plus capital targeted to child care deserts, lower the entry barrier where the market alone will not (Center for American Progress, 2025; The Century Foundation, 2022).
- **Strengthen family child care.** Home-based care is the fastest, lowest-cost capacity to add. Family child care networks and shared-services alliances pool licensing support, substitute staffing, and back-office functions so small providers can survive and grow (Kashen & Hamm, 2019).
- **Open the workforce pipeline.** Registered apprenticeships, stackable credentials, the Child Development Associate, and provisional earn-and-learn pathways expand the labor pool while preserving quality (Gibbs et al., 2025).
- **Expand mixed-delivery and parent choice.** Recent federal guidance encourages states to rely more on faith-based, home-based, and family, friend, and neighbor providers, and to use existing dollars more flexibly (U.S. Administration for Children and Families, 2026).

Two points matter most. The binding constraint is usually the workforce: ratios matter because qualified educators are scarce and underpaid, so compensation and pipeline reforms do more to expand durable supply than ratio rollbacks alone (Kashen & Hamm, 2019). Regulation is important because it interacts with financing. Streamlined licensing paired with startup capital, shared services, and facility financing attacks cost and supply from both ends, while ratio rollbacks address only labor cost and carry quality risk. The strongest state strategies modernize regulation and invest in supply at the same time.

A competitiveness lens also runs forward in time. Child care is not only where today's parents are freed to work; it is where tomorrow's workforce begins to form. Early childhood settings are, in one expert's phrase, "learning laboratories" second only to the home in shaping lifelong development (Wuori, 2024). That is why educator qualifications and quality standards are an economic variable, not only a safety one: the skilled, stable workforce that lets a program meet quality rules is also what produces the developmental gains that compound into a more capable future labor force. Research by Nobel laureate James Heckman and colleagues estimates that high-quality birth-to-five programs return about 13 percent per year through better education, health, and employment outcomes—returns framed explicitly as strengthening the nation's workforce today and its competitiveness tomorrow (García, Heckman, Leaf, & Prados, 2020). For economic development leaders, this reframes the quality-versus-cost question: trimming quality lowers near-term price but forfeits the long-term human-capital return that makes the investment pay.

6. Comparing the Approaches

The approaches differ in mechanism, who benefits, cost to the state, administrative burden, and whether they help expand supply.

Approach	How it works	Who benefits	State cost	Builds supply?
Employer credit (facility)	Tax credit for building/operating care	Employers, their employees	Low	Sometimes
Employer credit (contribution)	Tax credit for paying employees' care costs	Employers, their employees	Low	No
Charitable-contribution credit	Credit for donations to care	Donors, programs	Low–Mod.	Sometimes
Cost-sharing (Tri-Share)	State + employer + family split	Cliff families at participating firms	Moderate	No
Provider grants	Direct cash to providers	Providers, supply	Mod.–High	Yes
Facility financing	Loans/gap capital for facilities	Providers, supply	Low–Mod.	Yes
Provider/quality credits	State income tax credit to providers, often quality-linked	Providers, supply	Low–Mod.	Yes
Direct public investment	Subsidies, educator wage support	Sector-wide	High	Yes

Sources: Council for Community and Economic Research (2026); Woods (2025); Sullivan (2025).

The pattern reflects state investments that currently cluster on the demand side where costs and administration are low. Supply-side tools are scarcer but uniquely able to address child care accessibility. The strongest state strategies stack instruments: Alabama pairs a provider credit with an employer credit, and Colorado pairs a facilities-investment credit with a contribution credit.

7. Financing Innovations Beyond Public Dollars

The most consequential development we are witnessing in addressing the child care crunch reflects new ways to pay for care rather than new program types. Currently, families cover roughly 60 percent of child care costs out of pocket, with government funding about 39 percent and philanthropy 1 percent—a burden that is unsustainable, especially for lower- and middle-income workers (Workman, 2021). Fully subsidized care is out of reach for most states facing tight budgets, so they are turning to models that blend employer, family, philanthropic, and private capital with public funds. The goal is to leverage each public dollar by attracting several private ones.

Cost-sharing as private-capital leverage

Tri-Share's real innovation is financial. Each state dollar draws a matching employer dollar and a family dollar, and many programs add philanthropic contributions to the pool (BridgeCare, 2025). Michigan has extended the idea with Care-Share, an add-on that lets employers cover a share of cost for all employees regardless of income, expanding private participation without new state spending.

A far larger federal employer credit

The federal Employer-Provided Child Care Credit (Section 45F) was substantially expanded under the 2025 One Big Beautiful Bill Act (P.L. 119-21), effective in the 2026 tax year. The credit rate for businesses expending dollars to support child care expenditures rises from 25 percent to 40 percent, and to 50 percent for eligible small businesses, while the annual cap increases from $150,000 to $500,000, or $600,000 for small businesses, with both figures indexed to inflation (Internal Revenue Service, 2026). Two changes are especially important for state strategy. First, employers can now claim the credit for facilities jointly owned with other businesses, allowing smaller firms to pool resources. Second, employers can claim eligible expenses paid to third-party intermediaries that contract with child care facilities. States can layer their own credits and cost-sharing programs on top of this larger federal base (U.S. Chamber of Commerce Foundation, 2025). For example, New York strengthened 45F by layering a refundable state credit worth 200 percent of the federal 45F amount for qualifying expenses. For 2023–2024, the state conducted a test that paired that credit with a separate seat-creation credit that rewarded businesses adding infant and toddler seats, whether directly or indirectly through a third party. The combination gave employers more than one path: claim the 45F-linked state credit, use the creation/expansion credit to build infant-toddler supply, or work through third-party providers where direct operation was impractical.

Employer consortia and shared-services alliances

Multi-employer models let firms too small to run a center on their own share one, typically a near-site center financed jointly and run by a contracted operator (Family Forward NC, 2025)—a structure rural communities increasingly use where no single employer can sustain a standalone program. Shared-services alliances apply the same logic to providers, pooling back-office functions, purchasing, and substitute staffing across many small programs to cut costs and improve stability; Colorado's Early Learning Ventures network lost only 2.8 percent of its providers after March 2020, against a statewide loss of 9.4 percent (Early Learning Ventures, 2024). The expanded 45F credit's new allowance for joint facilities and intermediaries directly supports both structures (Crandall-Hollick & Boyle, 2025). As of mid-2026, Treasury has not finalized guidance on how the new intermediary and joint-facility provisions will apply, so employers pursuing these structures should plan for some near-term uncertainty (Bipartisan Policy Center, 2026b).

Community development finance

Child care facilities are increasingly financed through community development tools rather than appropriations. Community Development Financial Institutions have provided more than $108 million in loans for child care, and federal community development programs have channeled over $381 million in New Markets Tax Credits and more than $500 million in bond-guarantee resources into care facilities (Community Development Financial Institutions Fund, 2023). The Reinvestment Fund, a CDFI based in Philadelphia, is a leading example. The New Markets Tax Credit, made permanent in 2025, draws private capital into facilities in distressed communities, generating about $8 of private investment for every federal dollar through fiscal year 2023 (Community Development Financial Institutions Fund, 2024).

Blended philanthropy and public-private councils

Philanthropic match and braided funding increasingly anchor these deals, with foundations providing first-loss or matching capital that attracts private lenders. Coordinating bodies are emerging to organize this activity. The U.S. Chamber of Commerce Foundation and the Bipartisan Policy Center convene the Early Childhood and

Business Advisory Council, a 13-state network (as of 2026) that helps state business and childcare leaders build partnerships and unlock business tax credits and financing tools (U.S. Chamber of Commerce Foundation, 2026; Bipartisan Policy Center, 2026a).

Revolving and gap-financing funds

State revolving loan funds and gap-financing tools such as North Dakota's Flex PACE recycle public dollars rather than spending them once, buying down interest or filling the gap private lenders will not cover. Administered by the state-owned Bank of North Dakota through local lenders, Flex PACE buys down a child care borrower's interest rate by as much as 5 percent, up to $300,000 per project, for new or expanding licensed facilities. The buydown requires a matching contribution from the local community, so a single tool draws together state, local, and private capital and imposes no job-creation test. Approaches such as this turn a one-time appropriation into a durable, reusable source of capital for provider expansion.

8. Implications for State Economic Development Leaders

- **Treat child care as infrastructure.** Build it into workforce, talent-attraction, and site-readiness strategy alongside transportation, broadband, and training.
- **Diagnose the binding constraint in your state, recognizing it may not be consistent from one region to the next.** Determine whether the local problem is price or supply, then match the tool. Demand-side credits do not fix a desert; supply-side investment does not, by itself, make care affordable.
- **Pair demand and supply.** Where shortages limit growth, combine cost-sharing or employer credits with provider grants, facility financing, or quality-linked provider credits.
- **Lead with financing leverage.** Favor models that attach private, employer, and philanthropic dollars to each public dollar, and help employers stack the expanded federal 45F credit with state tools.
- **Use employer engagement as an entry point.** Economic development organizations convene employers credibly and can translate child care into workforce language.
- **Measure returns.** Track participation, retention, and return on investment so child care competes for attention on economic terms.

Data and Methods

State incentive categories in this brief draw on the C2ER State Business Incentives Database, maintained by the Council for Community and Economic Research (2026). The underlying records were assembled through keyword searches and reviewed to remove programs where child care is incidental; keyword matching may not capture every qualifying incentive, so the set is a strong sample rather than a complete census. Tri-Share program details reflect publicly available state and gray-literature sources current as of mid-2026.

References

Abbott, S. (2021). *The child care economy*. Washington Center for Equitable Growth. https://equitablegrowth.org/research-paper/the-child-care-economy/

Bahn, K., & Sanchez Cumming, C. (2020). *Improving U.S. labor standards and the quality of jobs to reduce the costs of employee turnover to U.S. companies*. Washington Center for Equitable Growth.

https://equitablegrowth.org/improving-u-s-labor-standards-and-the-quality-of-jobs-to-reduce-the-costs-of-employee-turnover-to-u-s-companies/

Baker, M., Gruber, J., & Milligan, K. (2008). Universal child care, maternal labor supply, and family well-being. *Journal of Political Economy, 116*(4), 709–745. https://doi.org/10.1086/591908

Bipartisan Policy Center. (2020). *Demystifying childcare affordability*. https://bipartisanpolicy.org/article/demystifying-child-care-affordability/

Bipartisan Policy Center. (2025). *The economic impact of America's child care gap*. https://bipartisanpolicy.org/report/the-economic-impact-of-americas-child-care-gap/

Bipartisan Policy Center. (2026a). *Bipartisan Policy Center and U.S. Chamber of Commerce Foundation child care council grows to 13 states, unlocking new business tax credits and financing tools*. https://bipartisanpolicy.org/press-release/bipartisan-policy-center-and-chamber-of-commerce-foundation-child-care-council-grows-2026/

Bipartisan Policy Center. (2026b). *45F employer-provided child care tax credit: 2026 guide*. https://bipartisanpolicy.org/explainer/45f-employer-provided-child-care-tax-credit-2026-guide/

BridgeCare. (2025). *What is Tri-Share? An emerging model for child care funding*. https://getbridgecare.com/blog/tri-share-overview/

Buffett Early Childhood Institute. (2025). *Economics & child care: Where are we now—and where do we go?* University of Nebraska. https://buffettinstitute.nebraska.edu/news-and-events/news/2025/07/new-report-finds-us-child-care-system-is-failing-and-economists-say-its-time-for-bold-action

Calder, V. B. (2025). *Childcare regulation and affordability*. American Enterprise Institute. https://www.aei.org/research-products/report/childcare-regulation-and-affordability/

Center for Law and Social Policy. (2024). *Cost-sharing for child care: Looking at the Tri-Share model*. https://www.clasp.org/blog/cost-sharing-for-child-care-looking-at-the-tri-share-model/

Committee for Economic Development of The Conference Board. (2024). *Child care in state economies—Part 3*. https://education.ced.org/child-care-in-state-economies?page=part-3

Community Development Financial Institutions Fund. (2023). *CDFIs provide childcare providers with critical support*. U.S. Department of the Treasury. https://www.cdfifund.gov/impact/103

Community Development Financial Institutions Fund. (2024). *New Markets Tax Credit Program*. U.S. Department of the Treasury. https://www.cdfifund.gov/programs-training/programs/new-markets-tax-credit

Council for Community and Economic Research. (2026). *State business incentives database* [Data set]. https://www.c2er.org/state-business-incentives-database/

Crandall-Hollick, M. L., & Boyle, C. F. (2025). *The 45F tax credit for employer-provided child care* (IF12379). Congressional Research Service. https://www.congress.gov/crs-product/IF12379

Early Learning Ventures. (2024). *Shared services associations and hub partnerships*. https://www.earlylearningventures.org/shared-services-hub-partnerships/

Economic Policy Institute. (2025). *Family budget calculator*. https://www.epi.org/resources/budget/

Family Forward NC. (2025). *On-site or consortium sponsored child care*. https://familyforwardnc.com/family-forward-policies/on-site-or-consortium-sponsored-child-care/

Fed Communities. (2026). *Child care: An economic issue*. https://fedcommunities.org/child-care-an-economic-issue/

Federal Reserve Bank of Chicago. (2024). *What parents say about how childcare problems affect employment and hours worked*. Chicago Fed Insights. https://www.chicagofed.org/publications/chicago-fed-insights/2024/what-parents-say-about-how-childcare-problems-affect-employment

Federal Reserve Bank of Minneapolis. (2025). *Minnesota child care providers survey*. https://www.minneapolisfed.org/article/2025/minnesota-child-care-industry-remains-in-crisis

First Five Years Fund. (2025). *How a lack of affordable childcare impacts the economy*. https://www.ffyf.org/resources/2025/03/how-a-lack-of-affordable-child-care-impacts-the-economy/

García, J. L., Heckman, J. J., Leaf, D. E., & Prados, M. J. (2020). *Quantifying the life-cycle benefits of an influential early childhood program*. Journal of Political Economy, 128(7), 2502–2541. https://doi.org/10.1086/705718

Gascon, C. S., & Hernández Kent, A. (2025). *The economics of child care: A state-level analysis*. Federal Reserve Bank of St. Louis. https://www.stlouisfed.org/on-the-economy/2025/may/economics-child-care-state-level-analysis

Gibbs, H., Schneider, A., Hogan, L., Peeks, C., Andujar, P., Estlund, M., & Hains, D. (2025). *A path forward on child care regulation: Differentiating between harmful deregulation and helpful reform*. Center for American Progress. https://www.americanprogress.org/article/a-path-forward-on-child-care-regulation-differentiating-between-harmful-deregulation-and-helpful-reform/

Internal Revenue Service. (2026). *Section 45F employer-provided child care credit: Updated guidance*. U.S. Department of the Treasury. https://www.irs.gov/businesses/small-businesses-self-employed/employer-provided-childcare-credit

Kansas Legislature. (2026). *Senate Bill 82* (enacted April 27, 2026). https://www.kslegislature.gov/li/b2025_26/measures/sb82/

Kashen, J., & Hamm, K. (2019). *Child care for all: A blueprint for states*. The Century Foundation. https://tcf.org/content/report/child-care-blueprint-states/

Madowitz, M., Rowell, A., & Hamm, K. (2016). *Calculating the hidden cost of interrupting a career for child care*. Center for American Progress. https://www.americanprogress.org/article/calculating-the-hidden-cost-of-interrupting-a-career-for-child-care/

Moms First. (2026). *Investing in child care: How U.S. businesses can unlock up to $70 billion by providing child care benefits*. https://momsfirst.us/foundational-workers-report/

Public Sector Consultants. (2024). *Michigan Tri-Share 2024 evaluation report*. https://www.michigan.gov/mileap/-/media/Project/Websites/mileap/Documents/Early-Childhood-Education/MI-Tri-Share/MI-TriShare-FY24-Eval--FULL-REPORT-final-10312024.pdf?rev=c5bb716457234c248e8c46e2534940b4

Sullivan, E. T. (2025). *More states adopt ‘Tri-Share’ for child care, even as some question its merits*. EdSurge. https://www.edsurge.com/news/2025-11-11-more-states-adopt-tri-share-for-child-care-even-as-some-question-its-merits

U.S. Administration for Children and Families. (2026). *Child care reform package to address affordability, expand access, and strengthen parental choice*. https://acf.gov/media/press/2026/acf-announces-child-care-reform-package-address-affordability-expand-access-and

U.S. Bureau of Labor Statistics. (2025). *Labor force statistics from the Current Population Survey* [Data tables]. U.S. Department of Labor. https://www.bls.gov/cps/

U.S. Bureau of Labor Statistics. (2026). *Employment characteristics of families — 2025* (USDL release, April 23, 2026). U.S. Department of Labor. https://www.bls.gov/news.release/famee.nr0.htm

U.S. Chamber of Commerce Foundation. (2024). *Untapped potential: How childcare impacts state economies*. https://www.uschamberfoundation.org/solutions/early-childhood-and-k-12-education/untapped-potential

U.S. Chamber of Commerce Foundation. (2025). *Game plan: Leveraging federal tax incentives for business childcare solutions*. https://www.uschamberfoundation.org/education/game-plan-leveraging-federal-tax-incentives-for-business-childcare-solutions

U.S. Chamber of Commerce Foundation. (2026). *U.S. Chamber of Commerce Foundation and Bipartisan Policy Center child care council grows to 13 states, helping to unlock new business tax credits and financing tools*. https://www.uschamberfoundation.org/education/u-s-chamber-of-commerce-foundation-and-bipartisan-policy-center-child-care-council-grows-to-13-states-helping-to-unlock-new-business-tax-credits-and-financing-tools

U.S. Department of Health and Human Services, Office of Child Care. (2025). *Supervision: Ratios and group sizes*. Childcare.gov. https://childcare.gov/consumer-education/regulated-child-care/supervision-ratios-and-group-sizes

U.S. Department of the Treasury. (2021). *The economics of childcare supply in the United States*. https://home.treasury.gov/system/files/136/The-Economics-of-Childcare-Supply-09-14-final.pdf

Virginia Chamber of Commerce Foundation. (2025). *Childcare is the foundation of Virginia's economy: Employer survey summary*. https://vecf.org/va-statewide-survey/

Woods, L. (2025). *The Tri-Share model is not a solution to the child care crisis*. The Century Foundation. https://tcf.org/content/commentary/the-tri-share-model-is-not-a-solution-to-the-child-care-crisis/

Workman, S. (2021). *Where does your child care dollar go? Understanding the true cost of quality early childhood education*. Center for American Progress. https://www.americanprogress.org/article/child-care-dollar-go/

Wuori, D. (2024). *The daycare myth: What we get wrong about early care and education*. Teachers College Press. https://www.tcpress.com/the-daycare-myth-9780807786482

ZERO TO THREE. (2025). *Child care: Ratios and group sizes matter*. https://www.zerotothree.org/resource/child-care-ratios-and-group-sizes-matter/