

High Cost of Childcare in MA

Civics Project - LN



Issue Identification

The Issue

The cost of childcare in MA is one of the highest in the U.S. Families spend between 20–40% of their income on it. Many low- and middle-income families cannot afford it, which leads to fewer job opportunities, and makes the income gap worse.

Why it Matters

- It keeps parents out of work
- It puts stress on families trying to stay financially stable
- It leaves kids in poorer communities without access to early education
- It's a big reason why economic inequality continues across generations

Root Causes

Why is Childcare Expensive?

There are multiple root causes that make child care unaffordable for many families. These causes are linked to state-level policies, funding decisions, and where childcare centers are available.

3 Root Causes

- High operational and staffing costs
- Lack of adequate public funding
- Unequal access in low-income areas



Root Causes



High Operational Costs

Childcare is labor-intensive. In MA, we have one of the strictest staff-to-child ratios—1 adult for every 3 infants.

This is good for safety and quality, but makes it expensive to run a center.

Factors that raise costs:

High rent and utilities

Low wages for workers (which pushes people away)



Lack of Public Funding

MA has some public subsidies for childcare, but they aren't enough. Many families still pay a lot out of pocket each year. Subsidies only cover 50–65% of the market rate

Providers can't afford to accept subsidized kids

Families under the poverty line still struggle to access care



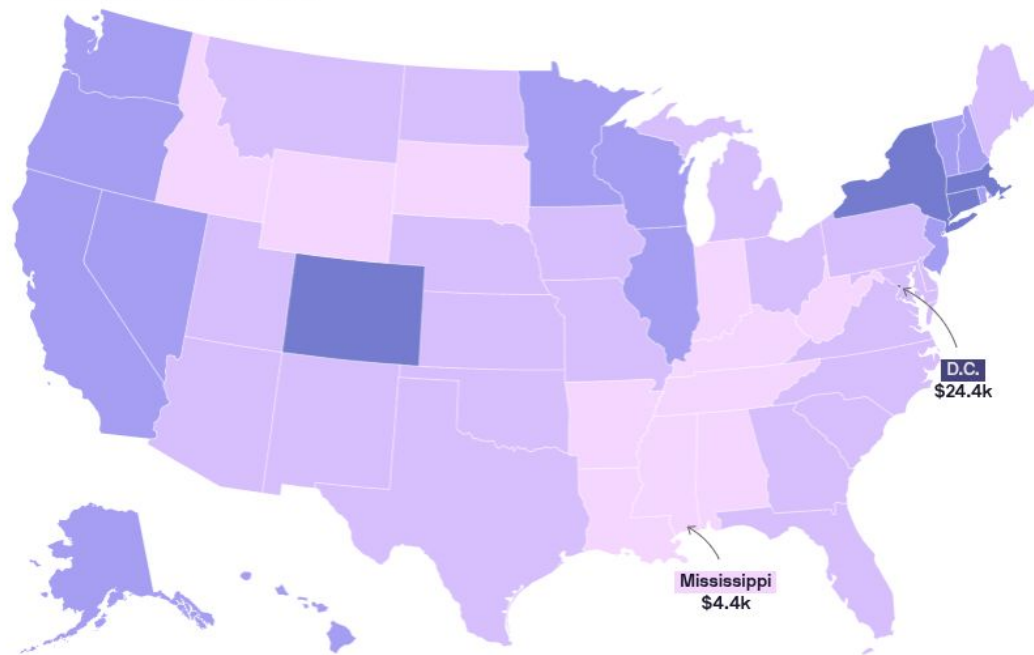
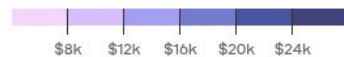
Unequal Access in Low-Income Areas

There are fewer childcare centers in low-income and marginalized communities. A Harvard study found that poor neighborhoods have 40% fewer preschools than wealthy ones.

Some may give up work or school because they can't find care & children miss out on early learning opportunities

Average annual cost of center-based care for a toddler, by state

As of 2021





Interested Parties



Low-Income Families & Single Parents

They want to afford care and keep working. Childcare take up over half their income.

Childcare Workers and Providers

They earn low wages and rely on public assistance. They need stable pay and funding.

Employers and Businesses

They lose workers and productivity when employees can't find care.

State Government & Policymakers

They care about the economy and school readiness. Inequality in childcare costs the state billions each year.

Children in Impoverished Areas

They start school at a disadvantage. Lack of early education affects long-term success.



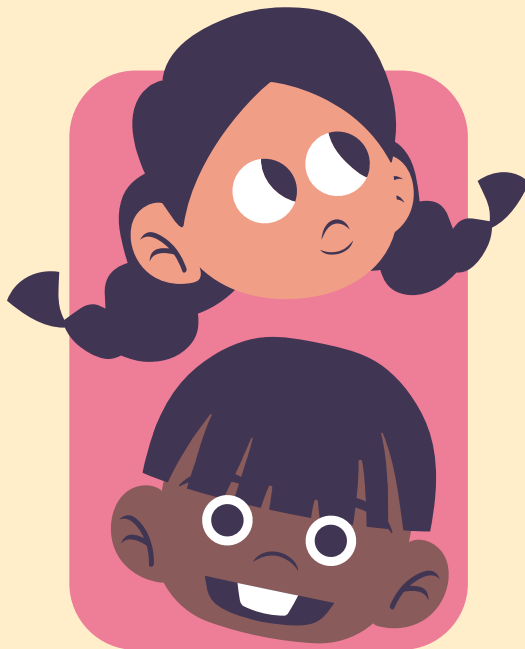
Potential Solutions

Universal Pre-K in Gateway Cities

- ★ Free preschool for all 4-year-olds
- ★ Helps families save money and kids get ahead

Employer Tax Credits

- ★ Give businesses tax breaks to offer on-site childcare
- ★ Helps working parents, but only those with supportive employers



Expand Subsidies & Eligibility

- ★ Raise income limits so more families qualify
- ★ Increase how much the state pays providers

Invest in Workforce

- ★ Better pay and training for childcare workers
- ★ Makes the field stronger and more stable long-term

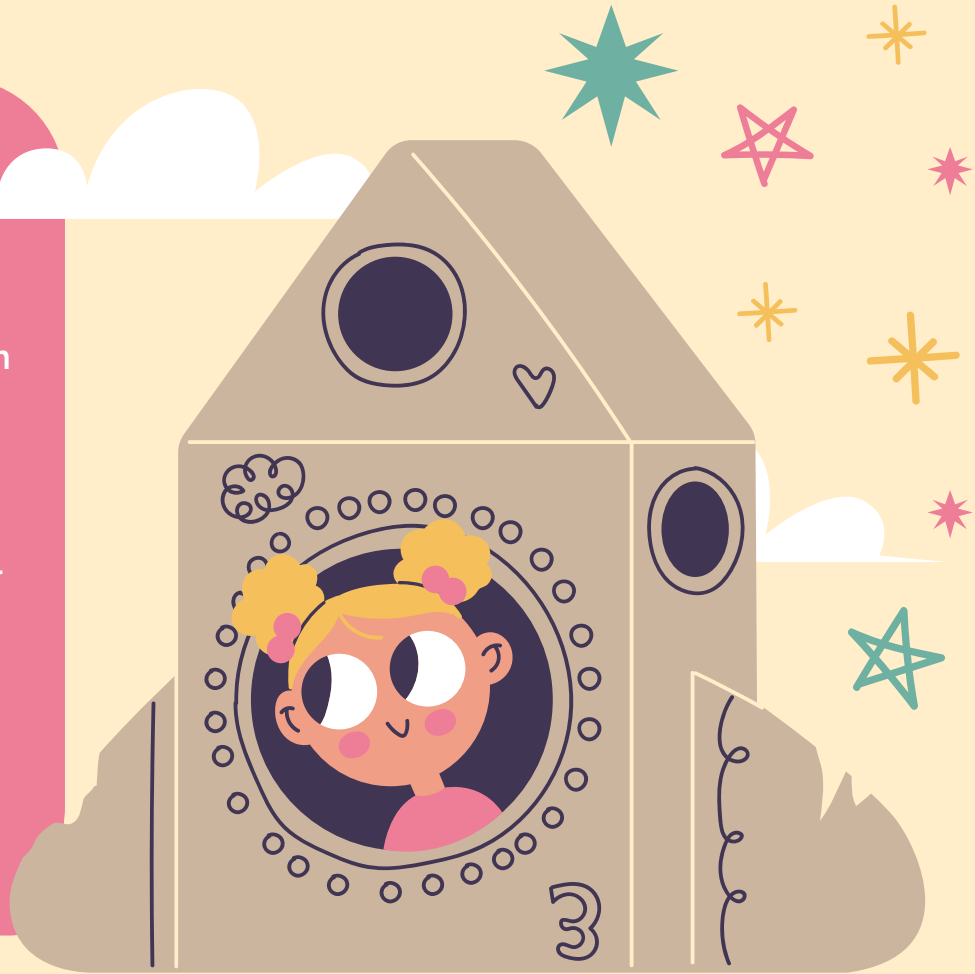
Chosen Solution

Expand Childcare Subsidies

Why this works:

- ★ Families earning up to 85% of the state median income (around \$124,000 for a family of 4) would qualify
- ★ Families under the poverty line wouldn't pay anything
- ★ Caps childcare costs at 7% of income for other subsidized families
- ★ Also includes monthly grants to over 90% of providers
- ★ Makes care more affordable while keeping providers funded

This solution helps both families and workers, and there is already an approved bill in MA Senate.



Action Plan

01

Legislation Approval

Make sure the bill that passed the Senate is approved by the House and signed by the Governor



02

Secure Funding

Add money in the state budget for subsidies and grants

04

Public Awareness

Let families know about expanded subsidies and how to apply



03

Implement Program Changes

Update systems and rules for families and providers

Government Level, Laws, & Funding



What level of Gov.?

State Level : Massachusetts

Does it need a new law?

Yes, the plan needs a law to expand eligibility and make provider grants permanent

Does it need funding?

Yes—MA's FY24 budget includes \$1.5 billion for early education and childcare.

This funding would go toward subsidies, provider grants, and outreach.



Thank You!

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