

# THE CHILD CARE LANDSCAPE IN MISSOURI

CHILD CARE



Two-Thousand Days to Make a Difference



January 2025

## EXECUTIVE SUMMARY

This comprehensive report examines Missouri's child care system from 2020 to 2024, focusing on availability, quality, affordability, and economic impact. Provided is a detailed analysis of the sector's progress, persistent challenges, and actionable recommendations for stakeholders to address unmet needs.

### KEY TAKEAWAYS

- Missouri's child care system has been significantly shaped by the long-term effects of the COVID-19 pandemic, which revealed critical underinvestment in the sector.
- Child care deserts persist despite recent capacity gains. While expansion has occurred, many high-need regions have seen limited improvements, highlighting ongoing geographic inequities. The number of child care desert counties peaked at 93 of the 115 Missouri counties during the pandemic, decreasing to 78 by 2024, showing progress but emphasizing the need for further action.
- Despite recovery efforts, the pandemic exacerbated disparities, particularly for low-income families and essential workers. Geographic inequities continue to persist as capacity growth has not consistently benefited areas with the highest need.
- Affordability remains a significant barrier, as rising child care costs and limited availability often force families, particularly women, out of the workforce. Accessible child care is essential for workforce participation and productivity, yet these persistent challenges disproportionately impact mothers, hindering their ability to remain employed.
- The expiration of federal funding programs, such as the American Rescue Plan Act (ARPA), further exposes the fragility of Missouri's child care infrastructure, placing its long-term sustainability at risk. Sustained investment is essential for the sector's stability as federal funding has proven critical but insufficient for long-term solutions.
- Innovation is crucial to addressing gaps, with models such as employer-sponsored care and flexible-hour care showing great promise.

### INTRODUCTION AND DATA HIGHLIGHTS

The COVID-19 pandemic exposed deep flaws in Missouri's child care infrastructure, with child care desert counties peaking at 93 in 2020. By 2024, this had improved to 78 counties, but 32% of Missouri's population still resides in deserts. From 2020 to 2024:

- Licensed child care programs increased by 316, and capacity grew by over 35,000 slots, indicating expanded availability.
- Demand declined slightly due to workforce shifts, yet critical shortages remain for infants and toddlers.

Despite these gains, rural areas and low-income families continue to face significant barriers.

### CURRENT LANDSCAPE AND ECONOMIC IMPACT

Over 60% of parents report having no formal child care arrangements, relying instead on relatives or balancing care themselves. Rural families and those with lower incomes experience the greatest barriers, while affordability continues to challenge families statewide.

- The average annual cost of full-time care is \$8,100, representing 14% of a family's median income. For single parents and rural families, this financial burden is far greater.
- The child care sector contributes \$1.7 billion annually to Missouri's economy, enabling workforce participation and productivity.
- However, the expiration of ARPA funding in 2023 led to over 80 program closures, tuition increases, and reduced capacity, exacerbating affordability and accessibility challenges.

### CHILD CARE DESERTS AND CAPACITY GAPS

Child care deserts, particularly in rural areas, limit access to affordable, quality care for families. Despite progress in reducing the number of deserts, 78 counties still face significant shortages.

- By September 2024, all Missouri counties had at least one child care facility yet 32% of Missouri's population remains in child care deserts.
- The supply-demand gap narrowed slightly, but critical shortages for infants and toddlers persist, with only 16% of licensed slots available for this age group.

### SUCCESES AND CHALLENGES

Missouri has made efforts to increase child care quality through:

- The Office of Childhood (established 2021) streamlined early childhood programs.
- Initiatives like Missouri Supporting Early Childhood Administrators (MO-SECA) and the Missouri Professional Development System (MOPDS) enhanced leadership and workforce training.

However, challenges persist.

- The expiration of federal grants has left providers vulnerable to closures and financial strain.
- High turnover rates (26%-40%) and stagnant wages hinder workforce retention, while the decrease in the number of family child care programs further limits access.
- Rising costs have outpaced inflation, leaving many families unable to afford care.

### QUALITY AND EQUITY

Quality remains inconsistent across programs, complicating families' ability to find suitable care. Disparities in access and affordability disproportionately affect low-income, rural, and Black, Indigenous, and People of Color families, deepening economic and social inequities. Addressing these gaps requires targeted investment and policies that prioritize underserved populations.

### NEXT STEPS

- Expand access to affordable care, focusing on rural and underserved areas.
- Invest in workforce retention through better wages, benefits, and training.
- Promote innovative child care models to meet diverse family needs.
- Sustain public funding to stabilize and grow the sector.
- Leverage data systems like Early Childhood Integrated Data System (ECIDS) to guide improvements and resource allocation.