THE CHILD CARE LANDSCAPE IN MISSOURI

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.

SUCCESSES 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 relief 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.

INTRODUCTION

In 2020, Child Care Aware® of Missouri (CCAMO) reported on the COVID-19 pandemic's impact on child care, revealing widespread program closures and reduced availability. Many parents had to find alternatives or leave the workforce to care for their children. Before the pandemic, Missouri had 63 child care desert counties; by July 2020, this increased to 93. The report highlighted that the burdens of child care fell disproportionately on low-income families and providers, particularly affecting essential workers who lost support. The Center for American Progress emphasized that the crisis exposed long-standing underinvestment in child care, worsening economic disparities.

This updated Child Care Landscape report reviews Missouri's child care system, focusing on availability, quality, and affordability. It outlines significant challenges for families, providers, and policymakers, with serious implications for the future of child care. Building on prior findings, this report details developments since 2020 and updates readers on the current state of child care. It offers insights into the economic impact of child care and examines capacity, highlighting key changes and trends from 2020 to 2024 that are essential for understanding Missouri's child care landscape.

▲ IN BRIEF / DATA ANALYSIS

Data from September 2020 to September 2024 indicates both improvement and challenges in Missouri's child care system, including expanded capacity but reduced demand due to workforce shifts. Below is a chart comparing child care data from September 2020 to September 2024:

	September 2020	September 2024	Variance
Total licensed and license-exempt child care programs	2,448	2,764	316
Licensed capacity	130,568	165,712	35,144
Children under the age of six with parents in the labor force	394,999	388,411	-6,588
Additional child care capacity needed	19,326	11,686	-7,640
Number of child care deserts	93	78	-15
Population in child care desert counties	1,177,432	1,968,644	791,212
Percent of MO population in child care desert counties	20%	32%	12%

An analysis of child care data from September 2020 to September 2024 reveals both positive and negative trends. Notably, there has been growth in the number of child care programs and their capacity, indicating improved availability. However, some of this growth has not occurred in the counties with the highest need. Additionally, a slight decline in the number of children under six with working parents suggests a reduced demand for child care, likely due to parents leaving the workforce. Overall, supply has aligned more closely with demand, reflecting a decreased need for additional capacity.

Furthermore, the 15-county decrease in child care deserts highlights improved access in various regions. This is supported by a significant decline in the population living in counties designated as deserts, which suggests better access to options for families, a positive sign. More importantly, the number of counties without child care has dropped from eight to zero, reflecting significant improvement. In summary, while some fluctuations exist, the overall trend highlights significant advancements in child care availability and accessibility in Missouri.

THE CURRENT CHILD CARE LANDSCAPE

CHILD CARE ARRANGEMENTS

According to the U.S. Census Bureau, approximately 50.7 million parents are part of the labor force. The most recent data from the Census Bureau's Household Pulse Survey (HPS), conducted from September to December 2022, indicates that among parents living with at least one child aged 17 or younger:

- Roughly 61% reported having no formal child care arrangements.
- About 1 in 5 (21.8%) said a relative other than a parent provided child care.
- Approximately 8.4% used a child care center.
- Around 5% used one of the following: non-relative care (5.4%), nursery or preschool (5%), or before/after school care (5.1%).
- About 3% relied on a family child care program.
- Only 1% reported participating in the Head Start program.[1]

Parents who reported having no formal child care arrangements may fall into a variety of situations, such as having a stay-at-home parent caring for children or being unable to access care for young children. The shortage of affordable child care and the shift to remote work may mean that many parents are balancing work or school while caring for their children at home. Additionally, many households have chosen one parent, often the mother, to leave the workforce to care for children full-time, with the HPS confirming that nearly 9 out of 10 parents (87%) who stayed home to provide care were women.[2]

Income significantly influenced the type of child care arrangements families used. Among households with less than $50,000 annual income, 67% reported not having any child care, compared to 52% of those earning over $200,000. Although about one-fifth of parents across all income levels relied on relatives for child care, higher incomes were associated with greater use of child care centers, preschools, and before-and-after school care.

MISSOURI BY THE NUMBERS

Child care programs offer a safe and nurturing environment for young children, enabling parents and caregivers to engage in the workforce and contribute to the economy. Missouri's child care landscape is marked by a diverse and complex framework that includes a variety of policies, quality standards, and types of providers.

- Missouri has 2,764 licensed and license-exempt child care facilities, with a capacity for 166,000 children.[3] While this has increased since September 2020, it remains below pre-pandemic levels.
- Demand for child care in Missouri far exceeds supply, with about 388,000 children under six whose parents are in the labor force (actively employed or seeking employment), yet only around 166,000 available slots. This shortfall is especially severe in rural areas.
- Of Missouri's 115 counties, 78 are designated child care deserts, indicating a lack of accessible, affordable, high-quality child care options. This scarcity affects 32% of the state's population.[4]

- 48% of Missouri families with young children lack access to licensed child care; rising to 54% in rural areas.[5]
- The average annual cost of full-time child care in Missouri is $8,100, or 14% of a family's median household income.[6] In contrast, the average cost of in-state public college tuition and fees is about $10,423, according to U.S. News.[7]
- Missouri faces a shortage of child care providers, with turnover rates ranging from 26% to 40%.[8]
- The COVID-19 pandemic greatly disrupted Missouri's child care sector, causing many programs to close due to financial challenges, negatively impacting staffing and enrollment.[9]

The families in Missouri without access to licensed child care face significant economic and social repercussions. Many parents, especially mothers, must reduce work hours, leave the workforce, or take less stable jobs, limiting household income and career advancement. Children also miss out on vital early learning environments essential for cognitive and social development, which may widen achievement gaps later in life.

Child care availability, quality, and affordability vary significantly across Missouri, and the COVID-19 pandemic has intensified the challenges faced by families and providers. Access to quality child care is crucial for low-income families, single parents, and those with irregular work hours or multiple jobs, as it helps alleviate poverty and promotes economic mobility. Moreover, early care and education contribute to economic stability and foster positive educational, social-emotional, and behavioral outcomes.[10]

THE ECONOMIC IMPACT

Access to child care is essential for both child development and the state's economy, as it enables workforce participation and productivity. COVID-19 severely impacted Missouri's child care industry, leading to program closures, decreased enrollment, and ongoing financial struggles. This workforce shortage intensified, resulting in child care staff cuts and further limiting enrollment, with approximately 500 programs shutting down permanently since COVID-19[11]. As a result, families continue to face challenges due to reduced capacity, closures, and disruptions to their routines.

The Conference Board's Committee for Economic Development emphasized the significant economic impact of the child care industry. In Missouri, the sector generates around $1.7 billion in revenue and associated economic benefits, underscoring the vital role that child care plays in supporting the workforce and local economies.[12] The U.S. Chamber of Commerce Foundation, in collaboration with the Missouri Chamber of Commerce and Industry, reported that Missouri's economy incurs an estimated annual loss of $1.35 billion due to child care challenges. This figure encompasses approximately $280 million in lost tax revenue each year. The report highlights that 28% of surveyed parents indicated that they or someone in their household had left a job, declined a job, or significantly changed jobs in the past year because of child care issues.[13] These findings underscore the substantial economic impact of inadequate child care access in Missouri.

It boosts workforce participation by providing a secure and nurturing environment for children, allowing parents to fully engage in their jobs. With the assurance that their children are well cared for, parents can concentrate on their work, leading to enhanced productivity. Access to quality child care empowers parents to earn income and contribute to the overall economy, stimulating economic growth.

The child care industry also creates jobs for providers, teachers, and support staff, bolstering overall employment. It also promotes human capital development, fostering children's cognitive, physical, social, and emotional growth. Finally, affordable child care is essential for ensuring family financial stability, allowing families to maintain their well-being while balancing work and home life.

CHILD CARE DESERTS

Examining child care accessibility introduces the idea of child care deserts, which highlights the relationship between availability and geographic distribution. A child care desert is an area where families struggle to find available child care options. This can mean a lack of child care centers or insufficient spaces in existing ones, leading to long waiting lists, high costs, and limited choices.

Child care deserts are prevalent in low-population areas where providers struggle to operate sustainably. Additionally, the high cost of living in these regions makes child care unaffordable, even when options are available. This lack of accessible child care can negatively impact families, forcing parents to miss work or seek alternative arrangements for their children.

At Child Care Aware® of Missouri, our desert methodology centers on children under age 6 with parents who are employed or actively seeking work (in the labor force). This approach enables a focused analysis of child care needs related to employment, facilitating effective policy responses and underscoring the economic significance of accessible care. Moreover, our methodology aligns seamlessly with the State of Missouri and the Department of Elementary and Secondary Education in their official "Targeted Needs Assessment." To access the most up-to-date Missouri Child Care Desert Report, visit https://mochildcareaware.org/data-and-reports/.

Currently, approximately 78 out of Missouri's 115 counties are designated as child care deserts, with insufficient availability of affordable and accessible high-quality child care options. As such child care deserts remain a pressing issue for 32% of Missouri's population. These areas, particularly in rural regions, lack affordable and accessible child care options, significantly hindering parents' ability to work.

In Missouri, around 394,000 children under six have parents in the workforce, highlighting the demand for child care services.[14] Concurrently, around 2,800 licensed and license-exempt programs exist, offering only 166,000 available slots. This significant discrepancy between demand and supply highlights the scarcity of options. The shortage is especially pronounced in rural regions, frequently leading to extended waiting lists.

LICENSED CAPACITY ANALYSIS

To understand the relationship between child care availability and demand in Missouri, it's important to assess the number of available slots by age group. Of Missouri's 2,800 licensed programs, only 1,800 offer full-time care for children under six, creating a shortfall for both infants and preschoolers. In terms of distribution:

- 73% of child care slots are for children under six
- 27% are for school-age kids
- 16% are for infants and toddlers
- 58% are for preschoolers aged 2 to 5
- Bottom line: only 120,000 slots are available for this age group out of a total of 166,000 total slots

For example, in Jackson County, there are 337 child care programs, but only 220 offer full-time care. Of these full-time programs, there are about 2,300 slots for infants and toddlers and around 10,000 for children aged two to five, totaling approximately 12,300 slots for kids under six. However, the estimated number of children under six with parents in the labor force is about 50,000, leading to a significant shortfall of 37,700 full-time openings.

This analysis highlights the existing shortage in child care. While not all families require child care services, the data shows that availability is declining for those who do seek assistance. The varied age groups emphasize the need for a comprehensive approach to child care support and development.

SUCCESSES AND CHALLENGES

▲SUCCESSES

MISSOURI STEPS UP

In Missouri, a significant development was the establishment of the Office of Childhood on August 28, 2021. The Office, under the Department of Elementary and Secondary Education, was created by Governor Mike Parson as part of an effort to consolidate Missouri's early childhood programs and funding. It oversees DESE's efforts to expand and improve high-quality early learning opportunities for children from birth to age five.

The creation of the Office of Childhood marks a major advancement for early care and education in Missouri. For the first time, a single office oversees all early childhood programs, allowing for better coordination and collaboration among state agencies. This improvement makes it easier for families to access necessary services.

In addition, Missouri funded a program sponsored by DESE’s Office of Childhood, known as Missouri Supporting Early Childhood Administrators (MO-SECA). The program worked across the University of Missouri System with early childhood support from CCAMO and the Small Business Development Centers. MO-SECA was a no-cost program that provided early childhood administrators with the knowledge, skills, and connections they needed to lead and operate sustainable, quality programs effectively. The program offered:

- Leadership training: strategic planning, fiscal management, and personnel management.
- Coaching: one-on-one support to help administrators apply training skills and knowledge.
- Program assessment: to help administrators identify areas for improvement in their programs.
- Resources: to help administrators, including books, articles, and webinars.

Missouri has further demonstrated its commitment to early care and education by modernizing the Missouri Professional Development System (MOPDS). This comprehensive system features a workforce registry, a platform for accessing training opportunities, and an intuitive learning management system for online training. It supports early childhood professionals, including child care providers, afterschool educators, and trainers, with plans to expand to home visitors and early intervention specialists in the future.

The MOPDS will also serve as a crucial data resource for the DESE Office of Childhood, offering insights into Missouri’s early care and education workforce and highlighting areas where support is needed. By enhancing the sustainability of child care programs, Missouri is investing in the long-term availability of child care for families, which in turn supports parents' ability to engage in the state workforce.

Additionally, Missouri is taking steps to consolidate and share information with the public. In 2021, DESE launched the Early Childhood Integrated Data System (ECIDS) to collect, store, and manage demographic and program information related to young children's development and their involvement in early childhood programs. While this data is currently internal, the system will eventually connect with the state’s Statewide Longitudinal Data System to allow for public access. Despite these advancements, challenges such as high turnover and ongoing financial strains continue to undermine the stability of child care programs.

FEDERAL FUNDING

The federal government recognized the importance of child care by implementing funding programs to help alleviate the effects of COVID-19. In March 2020, the Coronavirus Aid, Relief, and Economic Security Act was passed, providing significant funding for programs that supported young children and families. This included $3.5 billion for the Child Care and Development Block Grant Program, which assisted child care providers serving subsidized children. These funds enabled providers to continue operating, supported essential workers regardless of income, and aided with sanitation and reopening efforts during the pandemic.

In December 2020, the Coronavirus Response and Relief Supplemental Appropriations Act allocated an additional $10 billion to the Child Care and Development Fund (CCDF) to address COVID-19 challenges. This funding allowed for flexible use, including waiving copayments and income requirements for essential workers, which was typically not permitted under regular CCDF rules.

In March 2021, the American Rescue Plan Act (ARPA) provided $1.9 trillion in COVID-19 relief, which included $39 billion specifically for child care. This package allocated $24 billion for provider stabilization grants and $15 billion for CCDF Discretionary Funds, both aimed at stabilizing the child care sector.

▲ CHALLENGES

SUNSETTING OF THE ARPA CHILD CARE STABILIZATION PROGRAM

ARPA stabilization grants were introduced to support child care providers during the pandemic, addressing urgent needs such as boosting early educator salaries, covering operational expenses, and supporting programs. However, these funds, which expired in September 2023, offered only short-term relief. Their expiration has led to tuition increases, job cuts, and program closures across the industry.[15]

A report from The Century Foundation looks at how five states are managing the end of federal funding. As expected, the same pattern is emerging nationwide: child care costs are rising, supply is stagnant, programs are closing, and families are struggling to find affordable options. Although pandemic relief highlighted the importance of public investment in child care, states are now working to maintain stability. Some states have made significant new investments, which offer a glimmer of hope for the future. Key takeaways:

Child Care Crisis:

- Child care costs have outpaced inflation, rendering it unaffordable for many families.
- In 45 states and D.C., child care costs exceed annual mortgage payments; in all 50 states, they surpass rent payments.
- The number of child care programs is decreasing, leading to longer waitlists and financial challenges for providers.
- The child care sector has seen a notable decline in employment, with wages remaining stagnant.
- Insufficient investment in child care has broader economic impacts, limiting parents’ ability to work and contributing to overall economic instability.

Solution:

- Public and private investment are essential to stabilize and improve the child care sector.
- States that have invested their own funds or repurposed federal dollars are doing better in the wake of ARPA’s expiration.[16]

As the child care sector is essential for both economic growth and child well-being, it now requires ongoing structural and financial interventions to ensure lasting improvements in access and affordability.[17] The overall message is clear: without sustained or increased public investment and/or increased private investment, the child care crisis will continue to worsen, impacting families, children, and the economy.

Missouri received $444.1 million in ARPA funding for the Child Care Stabilization program.[18] This funding was crucial in sustaining or restarting child care programs, retaining staff, and offering dependable, quality care for working families. After the program funding ended, Missouri lost 80 child care programs between September 2023 and September 2024, with further losses projected due to ongoing financial and employment challenges. In addition, the rising costs of child care present a troubling outlook for families relying on these services.

The U.S. Congress continues to examine the potential effects and solutions to decreased federal funding. At the same time, Child Care Aware® of America emphasizes the ongoing negotiations for federal funding and the impending battle to secure essential investments for early care and education programs, crucial for supporting children, families, and communities.[19] As these deliberations unfold, the future of accessible and quality child care stands at a pivotal juncture, impacting the well-being of countless families nationwide.

SHRINKING NUMBER OF FAMILY CHILD CARE PROGRAMS

Family child care (FCC) programs disproportionately care for infants and toddlers from low-income families compared to center-based programs. National studies reveal a steep decline in the number of regulated FCC programs in the US over the last two decades. This decline is particularly concerning for communities of color and other marginalized groups, as FCCs often serve as crucial sources of culturally responsive early care and education. The importance of FCCs in ensuring equitable access to quality child care cannot be overstated, making their preservation and support a vital imperative.

The decline in FCC providers poses serious challenges, particularly for families who need care during non-standard hours, those in rural areas, and those seeking non-English support or care for infants and toddlers. FCC programs are especially valuable for offering home-like, culturally sensitive care that aligns closely with families' preferences. However, staffing shortages within these programs have also become a concern. Addressing these shortages is crucial to maintaining high-quality care and support for children and families.

In 2021, the Erikson Institute conducted research on the decline of family child care and identified three categories of exit stories based on educators' experiences:[20]

- **Tipping Points** - 43% of former educators cited personal challenges—such as illness, housing loss, or family dynamics—as tipping points that prompted them to close their businesses.
- **Gradual Burnout** - 27% reported that a combination of challenges inherent in FCC work led to gradual burnout over time.
- **Other Reasons** - 30% mentioned various other reasons for their departure, including difficulties in launching a successful FCC business, having outgrown the field or realizing they no longer enjoyed the work.

These insights highlight the complex and nuanced landscape that impacts FCC programs and underscore the urgent need for comprehensive support mechanisms to sustain and revitalize this critical early care and education component.

LABOR FORCE SHORTAGES AND CHILD CARE PROGRAM CLOSURES

For child care programs, the current reality is that they are losing potential staff as they struggle to compete with the rising wages and benefits offered by non-traditional competitors, such as fast-food chains like McDonald's and Chipotle, and large corporations like Amazon, Target, and Walmart. The passing of Proposition A in Missouri in November 2024 may also increase the cost of child care to meet the minimum wage requirement.

The Wall Street Journal reported that the early impact of COVID-19 and social-distancing measures in 2020 was particularly severe on female-dominated service jobs like housekeepers, nurses, and child care programs. Additionally, many mothers in white-collar roles left their jobs to care for their children when schools transitioned to remote instruction.[21]

According to The Brookings Institution, while the child care system has regained 90% of its workforce since February 2020, it remains fragile. Around 108,000 low-wage workers are still missing from the workforce. The temporary closure of many child care programs during COVID-19 has had long-lasting effects, continuing to disproportionately impact minority families and contributing to ongoing risks of permanent closures.[22]

The pandemic triggered widespread child care program closures, capacity limitations, and significant staffing shortages. These challenges have led to intense competition for the limited available spots. As the labor force continues to shrink and more programs close, waitlists for child care have grown, with no guarantee that a space will be available when needed. This ongoing scarcity highlights a demand that often outpaces supply, exacerbating an already fragile system for both families and child care providers.

These points underscore the complex challenges faced by the child care industry and its workforce in the aftermath of the COVID-19 pandemic. Ultimately, the challenges facing the child care industry are linked to broader economic and societal issues, affecting employment, access to care, equity, and the well-being of families and communities.

WAGE INEQUALITY

Women have often staffed early care and education programs. Given the low pay and the impact of the pandemic, many have migrated to better-paying, less stressful jobs. This includes getting new roles as administrative assistants, retail workers, and bank employees.[23] High turnover disrupts stable caregiver-child relationships crucial to early development, impacting both the workforce and child care quality.

Data from the U.S. Bureau of Labor Statistics shows that child care workers earn an average of $14.22 per hour, compared to $17.41 for similar roles in other industries.[24] This wage disparity presents a significant challenge in retaining skilled child care staff, as lower pay often drives workers to seek jobs with better compensation, fewer hours, less stress, and improved benefits. Wage inequality affects child care quality, turnover rates, and long-term sustainability.

While this issue has gained attention, addressing wage inequality requires increasing public and private funding for early care and education, raising awareness about the value of the child care workforce, advocating for fair wages, and promoting policies that support the field's professionalization.

WORKFORCE DEVELOPMENT

Child care providers are empowered to advance their skills and knowledge through training and education programs, which propel their careers forward. Workforce development initiatives tackle the challenges in child care by investing in the professional growth and well-being of providers. Enhancing their skills, qualifications, and support improves child care quality, benefiting both children and professionals.

Efforts focused on recruitment and retention aim to attract and keep qualified professionals in the field, utilizing strategies such as scholarships, grants, and loan forgiveness to encourage long-term commitment. These initiatives also advocate for improved compensation, equitable wages, comprehensive benefits, and better working conditions for all child care providers, recognizing their invaluable contributions. By creating professional networks and fostering collaboration, vibrant communities are established where best practices are shared, current issues are discussed, and mutual support is cultivated.

Additionally, workforce development serves as a catalyst for elevating child care standards and quality. By setting industry benchmarks and endorsing best practices, these initiatives contribute to overall improvements in child care services. Specialized care is also prioritized through targeted training programs that focus on inclusive practices, behavior management, and early intervention techniques. Together, workforce development initiatives holistically enhance the child care sector, fostering a skilled and dedicated workforce that benefits both providers and the children they serve.

CHILD CARE COST

Parents of young children often face challenges in balancing the cost and availability of child care with the decision to work outside the home. Lower-income families may struggle to access quality child care, and in some cases, the cost of care can exceed the income of the working parent. Consequently, when child care needs prevent one parent from working, the burden typically falls on women. While these challenges existed before the COVID-19 pandemic, the situation has likely worsened since then. Despite the reopening of schools and child care centers, a lack of child care continues to disproportionately impact employment opportunities for parents of young children, particularly women.[25]

The high cost of infant-toddler care is a major concern for families nationwide, leading many parents to struggle to balance work and child care expenses. Child care is costly mainly due to the adult-to-child ratio staffing needs to provide quality care for young children, which requires maintaining low caregiver-to-child ratios. Operational expenses like rent, utilities, insurance, regulatory requirements and supplies further contribute to providers' overall costs. Moreover, when ARPA funding ended in September 2023, it eliminated the support that providers had depended on for worker bonuses and higher wages, prompting some to raise tuition to compensate their employees.

In October 2024, the Federal Reserve Bank of Kansas City reported that challenges in accessing child care have long impacted workers' engagement in the labor force. While pandemic disruptions were initially the main factor behind the reduced use of child care services, rising costs now appear to be the primary concern. As wage growth slows, higher child care expenses are adding pressure on households, leading some workers to partially or completely disengage from the workforce. The Kansas City Federal Reserve further examines how escalating child care costs are affecting workforce engagement, highlighting the following key findings:[26]

- **Rising Child Care Costs**: Child care expenses have surged, outpacing wage growth and becoming a significant financial burden for families.

- **Impact on Workforce Participation**: High child care costs are deterring parents, especially mothers, from entering or staying in the workforce. This trend not only reduces economic productivity but also hinders overall labor force participation.
- **Economic Implications**: The rise in child care costs extends beyond family budgets, affecting the broader economy through workforce shortages and reduced consumer spending.
- **Policy Recommendations**: Implement policies that make child care more affordable, such as increasing subsidies or providing greater support for child care providers.
- **Long-term Effects**: The ongoing challenges of accessing affordable child care could lead to lasting economic and social consequences. These include disparities in employment opportunities and potential adverse effects on child development.

These points underscore the crucial connection between child care costs and labor market dynamics, highlighting the need for solutions that support both families and the economy. Child care is often prohibitively expensive for families. While costs in Missouri vary based on the provider type, location, and child's age, this financial burden often exceeds other household expenses, forcing families to choose between child care and basic necessities like housing and food.[27] United Women's Empowerment published a report in 2021 with several key findings that concur, stating "Child care costs are unaffordable. For many women, the cost of care equals or surpasses their monthly income, making it hard to justify staying in the workforce."[28]

A January 2022 report from the Federal Reserve Bank of St. Louis found that child care costs in Missouri have been rising faster than the overall cost of living. For married households, child care now accounts for about 14% of the median income, while for single parents, it represents approximately 40% of their median income.

To alleviate child care cost pressures, Missouri provides financial assistance programs such as the Child Care Subsidy Program and the Child and Adult Care Food Program, aimed at helping eligible families afford care. As we address the impact of these costs, it's essential to focus on equity in access and affordability—ensuring that all families can find care and child care programs can meet this need.

INFLATION

Based on data from the Bureau of Labor Statistics, the cost of early care and education increased by 6.8% in March 2023, marking the largest annual rise in over 30 years, while overall inflation eased to 5%. This indicates that child care costs have outpaced general inflation in 174 of the past 240 months, underscoring the growing burden of rising child care expenses. According to the U.S. Department of Health and Human Services (HHS), child care is considered affordable when it costs no more than 7% of a household's income. However, the average household now spends about 24% of their income on child care.[29]

According to The American Prospect, employment rates among the U.S. working-age population, particularly among less-educated workers, have been declining since 1999. One major factor contributing to this is the difficulty of balancing paid work with caregiving responsibilities, whether for children, family, or friends, which complicates the ability to obtain and retain quality jobs.[30]

The Washington Center for Equitable Growth highlights that the limited supply and labor-intensive nature of child care drive up the costs, often subsidized by low wages and slim profits. As wages rise and pandemic aid ends, child care prices increase. While higher wages can stabilize and expand the child care supply, low wages make attracting talent and growing the sector challenging, leading to higher costs and limited public support.[31]

In essence, the convergence of these data points underscores the intricate relationship between rising child care costs, economic dynamics, and societal well-being. As we navigate the complexities of employment, caregiving, and economic stability, it becomes evident that addressing child care challenges is crucial for families and vital for sustaining a resilient and equitable workforce and society as a whole.

ACCESSIBILITY / EQUITY

Inequities in child care access disproportionately affect low-income families, rural communities, and Black, Indigenous, and People of Color (BIPOC) families, amplifying economic and social disparities. Child care accessibility, which includes factors like availability, proximity, cost, and quality, can be shaped by a variety of influences. Many families face challenges due to a lack of child care options within their county, with disparities often emerging between counties and zip codes. Recognizing these differences and potential inequities can help guide community initiatives to allocate resources where they are most needed.

Accessing child care can be especially challenging in rural areas and communities with limited options. Families often face long waiting lists or must travel long distances to access services, creating barriers to workforce participation, particularly for low-income families and single parents. The Federal Reserve Bank of Chicago highlights that many parents of young children in the U.S. struggle with a shortage of nearby child care providers, limiting both their access to care and employment opportunities.[32]

According to The Washington Center for Equitable Growth, early care and education are vital to the U.S. economy. Bridging gaps in accessible, affordable, quality care can reduce inequalities and promote economic growth.[33] Equity discussions frequently overlook child care despite the substantial impact of child care-related inequalities on individuals, the workforce, and the economy.

While the concept of equity can vary in meaning and context, its core principle is to ensure that every child has access to education and care that is unbiased, impartial, and devoid of discrimination. This requires confronting current disparities to establish equal opportunities. Equity does not aim for identical experiences; rather, it involves early childhood experts identifying hidden learning barriers and actively working to overcome them.[34]

Equity discussions must also include women, who make up 94% of child care workers, according to the Economic Policy Institute—a stark contrast to the 46.9% in other occupations. In Missouri, the child care workforce consists of approximately 25,000 individuals, 23,500 of whom are women. Moreover, according to the U.S. Census, 42.8% of child care workers are from (BIPOC) backgrounds, further amplifying the scale of the equity challenge.[35]

Encouragingly, Barron's recently reported that women's labor market participation has rebounded since the pandemic, reaching 77% in January. However, caregiving responsibilities still impact their availability. Although women's reintegration into the workforce slightly exceeds pre-pandemic levels, the recovery remains uneven.[36]

QUALITY

Child care quality in Missouri exhibits significant variation, including safety standards, curriculum methods, and caregiver qualifications across child care programs. While certain programs uphold high standards, others fall short. These variations complicate families' search for suitable programs.

Child care providers must adhere to state regulations and licensing requirements encompassing vital elements such as health and safety protocols, staff-to-child ratios, staff qualifications, curriculum criteria, and nutrition guidelines to maintain standards. Additionally, Missouri has introduced a voluntary Quality Rating Report system to recognize and motivate providers who achieve elevated quality standards.

A recent report from the Committee for Economic Development of The Conference Board highlights several key findings about quality in child care settings: High-quality child care is crucial for ensuring the safety and healthy development of children, especially when it comes to preparing low-income children for school.[37]

The complex landscape of child care quality in Missouri presents a range of standards, creating challenges for families in finding suitable programs. The interaction between state regulations, voluntary quality recognition systems, and the need for high-quality childcare highlights the vital role that consistent and high standards play in ensuring children's safety and developmental well-being, particularly for those from low-income backgrounds.

Next Steps

Given the many challenges, numerous organizations are reimagining and reshaping the methods and approaches to deliver high-quality child care services. This process encompasses innovative strategies to improve diverse aspects of child care, such as accessibility, affordability, staff training, curriculum, and comprehensive family support. Several new models of child care have emerged in recent years, responding to changing family dynamics, work patterns, and societal needs, including:

- Pod Model
- Employer-Sponsored Child Care
- Cooperative Model
- Montessori-Style
- Mobile Centers
- Intergenerational Child Care
- Nature-Based Model
- Play-Based Model
- Flexible Hour/Drop-in Care
- Technology-Enhanced

Each of these models possesses distinct strengths and challenges with their suitability based on the needs and preferences of individual families. As child care undergoes further transformation, we can anticipate more novel models arising in the years ahead. Newer child care models are evolving and are essential for creating a sustainable, adaptable system that meets the needs of modern families, particularly in regions like Missouri, where child care deserts remain a pressing issue.

▲ Final Thoughts

This report highlights key factors shaping current and future child care. Challenges of affordability, accessibility, and quality persist, impacting families, the workforce, and the economy. Investing in early care and education is both a social responsibility and an economic necessity.

Renowned organizations like The Century Foundation and The Washington Center for Equitable Growth advocate policy changes based on research that emphasizes equity. Family economic stability is crucial to children's development, influencing their cognitive abilities, health, and behavior. Financial struggles often lead to parental stress, which directly affects children's well-being.[38]

To address the challenges in the child care landscape, it is essential to recognize and confront existing disparities. Achieving equitable, high-quality child care solutions requires collaboration among policymakers, communities, and stakeholders. While Missouri has made significant efforts to address these challenges, ongoing hurdles remain in ensuring access to quality, affordable care for all families.

To improve child care systems, consider the following strategies:

1. **Expand access** to affordable, high-quality care, particularly in rural areas and for low-income families without increasing child-to-adult ratios.
2. **Enhance recruitment and retention** of skilled providers through training, professional development scholarships and apprenticeships, compensation, and other incentives.
3. **Offer financial support** and improve payment systems to providers to mitigate ongoing pandemic-related challenges and prevent closures.
4. **Promote innovative models** such as shared care (e.g. Michigan TriShare Model) and employer-sponsored initiatives, leveraging technology to improve access.
5. **Craft policies** and tax legislation that support family-friendly workplaces and flexible arrangements for working parents.
6. **Foster collaboration** among policymakers, providers, families, and stakeholders to address sector-wide challenges.
7. **Raise awareness** of the importance of quality care and the challenges within the system through public education campaigns.
8. **Prioritize the reduction** of disparities to ensure equitable access to care, especially for vulnerable populations.

Founded in 1999, Child Care Aware of Missouri is a statewide nonprofit that focuses on a comprehensive early childhood education experience through impactful programs and partnerships. The organization's services include workforce development, child care business supports, advocacy and policy work, and its new Child Care Keeps Missouri Working, a regional campaign offering concierge solutions to businesses undergoing employee recruitment and retention challenges due to the overwhelming shortage of quality child care options. For more information, call (314) 535-1458 or visit www.mochildcareaware.org.

GLOSSARY

Accessibility - Refers to the availability of child care when and where a family needs it.

Affordability - Refers to child care costs being practical for families. States have varying definitions of affordable, incorporating factors like family income, child care market rates, and subsidy eligibility.

Center-Based Care – a child care program caring for 20 or more children.

Child Care Desert - A geographic area needing more child care options for families, whether it be a deficient number of child care centers or available spaces in existing centers.

Child Care Slots - The number of openings a child care program has available based on its licensed capacity.
Exempt – Child care programs, including summer camps, day programs, schools, etc.

Family Child Care – A child care program for up to 10 children in the child care educator's home**.**

Group Home – A child care program with 11 to 20 children and can be at the child care educator's home or a separate facility.

Licensed – A child care program inspected by the Missouri Department of Elementary and Secondary Education - Office of Childhood, meeting specific standards, and follows specific Missouri regulations, including health and safety inspections, ratio, group size, staff qualifications, staff training requirements, etc.

Licensed Capacity - Signifies the highest number of children permitted in a licensed child care program or setting concurrently. It depends on facility adequacy, number of caregivers, supervision, and space requirements.

License-Exempt – Programs that are either center-based child care run by religious organizations or provide part-day care. While they must adhere to health and safety regulations, they are not obligated to follow other licensing norms, such as ratios, group sizes, staff qualifications, and training.

MO-SECA –Missouri Supporting Early Childhood Administrators, funded by the Missouri DESE Office of Childhood, is a no-cost initiative that equips early childhood administrators with the necessary expertise, capabilities, and networking to manage and sustain high-quality programs proficiently.

Professional Development (PD) – Encompasses a range of learning and support initiatives to prepare individuals for effective engagement with children and families. It includes education, training, and technical assistance that enhances early education professionals' knowledge, skills, and practices.

Subsidy - Financial aid from state or federal sources for low-income families meeting state income criteria. Subsidized care extends to licensed centers, family child care homes, and license-exempt providers.

ENDNOTES

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