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POLICY BRIEF

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Free Childcare for Childcare Workers is a better solution to Ohio's childcare crisis

Michigan's Tri-Share program is less effective

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Ohio's neighboring states have tried two very different approaches to address the childcare crisis over the past few years:

1. Michigan launched its "Tri-Share" program in 2021. The cost of childcare is split three ways, with the state, the parent's employer, and the parent each paying an equal share.
2. Kentucky began offering free childcare to childcare workers, regardless of their income, in 2022. Any Kentuckian working at least 20 hours a week in the childcare field qualifies for childcare assistance.

Ohio lawmakers should carefully consider the impact of both programs. Michigan's Tri-Share program has been lackluster. In contrast, Kentucky's free childcare for childcare workers program has benefited the children and parents using the program and strengthened the childcare sector broadly.

Michigan Tri-Share reaches fewer than 1,000 kids

The impact of Michigan's Tri-Share program has been limited by the small number of employers who have opted in. As of October 2024, only 893 children from 683 families receive assistance to pay for childcare through Tri-Share.[1] More than 40% of participating employers are childcare centers and programs themselves.[2]

According to the Michigan Senate Fiscal Agency, the state spent $2.5 million on the Tri-Share program in FY 2023-24, roughly $2,800 per child. This is only the state's share of the bill; employers and parents cover the other two-thirds.

Free Childcare for Childcare Workers reaches more than 5,000

As of November 2024, about 2,900 Kentucky families with 5,200 children receive assistance from the free childcare for childcare workers program.[3] For roughly the same cost as Michigan's Tri-Share program — $2,800 per child — Kentucky's program pays the full cost for childcare with no additional burden on parents or businesses. In FY 25, Kentucky appropriated $15 million for the program,[4] and has seen significant, widespread improvements in the childcare sector and beyond.

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[1] Michigan Dept. of Lifelong Education, Advancement, and Potential, as reported to Michigan League for Public Policy.
[2] Michigan Tri-Share Child Care Region Search, accessed 2/13/25.
[3] According to Kentucky Center for Economic Policy, September 2024. For more details on the program, see "Supporting Child Care Workers as Parents: How the Kentucky Subsidy Income Exclusion for Child Care Employees Helps Increase Access to Child Care," Sarah Vanover, Linda Smith, Grace Reef. Buffett Early Childhood Institute. 2024.
[4] Kentucky 2024-2025 Budget in Brief, Kentucky Office of State Budget Director.

Providers in the state have seen improvements in both staff recruitment and retention. In fact, more and more providers have begun accepting kids who use public funding, because doing so allows them to offer free childcare as a benefit to their staff.[5]

The program also helps keeps 2,900 early childhood educators in the workforce. That's 2,900 more Kentuckians with jobs, **and** between 14,500 and 43,500 additional spots in childcare programs — in a state with less than half Ohio's population. Creating more space for children in childcare programs gives even more parents the option to enter the workforce or increase their hours.

Free Childcare for Childcare Workers is the better option

Ohio's childcare sector is losing desperately needed workers to low wages. From 2017 to 2023, the number of childcare workers in Ohio dropped by 31.9%.[6] The median hourly wage for childcare workers in Ohio is $13.44[7] — an annual salary of $27,960 for those working full time. The median for all workers in Ohio was more than $10 per hour higher, at $23.95, in 2023.[8]

Free Childcare for Childcare Workers invests in a sector in crisis: In Central Ohio, 57% of childcare programs that accept public funding say they are concerned about closing in the next 12 months without additional public support.[9] Many providers operate on razor thin margins, unable to pay the wages needed to attract and retain qualified staff. While early childhood educator wages still trail the median, *Free Childcare for Childcare Workers* can increase the desirability of these crucial jobs without putting providers out of business.

Tri-Share does nothing to address the flood of early childhood educators leaving the sector, reducing available childcare slots when they go. Tri-Share only benefits families lucky enough to work at a participating employer. *Free Childcare for Childcare Workers* is a more direct policy with a better return on investment.

Early childhood educators are the workforce behind Ohio's workforce and economy. *Free Childcare for Childcare Workers* is proven to stabilize the sector and create more childcare slots for Ohio kids. Without question, Ohio should direct taxpayer money to *Free Childcare for Childcare Workers* instead of Tri-Share.

[5] See footnote 3.
[6] Bureau of Labor Statistics Occupational Employment and Wage Statistics. Accessed January 31, 2025.
[7] Bureau of Labor Statistics Occupational Employment and Wage Statistics. Accessed January 15, 2025.
[8] Policy Matters Ohio's August 27, 2024 report, "State of Working Ohio 2024."
[9] Action For Children's December 2024 report, "Dedication Through Difficulty."