State of Working Ohio 2026
Childcare

Childcare is vital infrastructure. It allows parents to participate in the workforce and higher education, supports healthy child development, and enables employers to recruit and train workers. Yet Ohio's policymakers continue to underfund care, restrict access for families, and undervalue the early childhood educators that provide care.

Ohio's childcare crisis is the direct result of policy choices made by legislators and other policymakers.[1] Lawmakers have neglected to treat childcare as essential public infrastructure, pushing costs onto families and providers while failing to invest public dollars at the scale required to make the system work for Ohio families.

Temporary federal relief dollars during the pandemic brought some stability to the sector, but only briefly.[2] As those funds expired, policymakers did not replace them with durable state investments. The result is an increasingly fragile system stretched beyond capacity that cannot meet the needs of children, families, workers, or the broader economy.

As the crisis continues to deepen, rural communities, low-income families, and women are impacted most severely. Ohioans across the state encounter unaffordable costs and large areas of the state do not have sufficient access to licensed care options.

Affordability: Childcare is unaffordable for families and unsustainable for providers

Ohio's childcare crisis involves three interlocking policy failures: very low eligibility for publicly funded childcare (PFCC), extraordinarily high costs for families, and chronically low wages for childcare workers. These failures reinforce each other, creating a system that is simultaneously inaccessible, unaffordable, and unstable.

Ohio has one of the most restrictive initial eligibility levels for childcare subsidy in the nation.[3] Families only qualify for PFCC if their incomes fall at or below 145%[4] of the federal poverty level ($39,614 a year for a family of three).[5] This threshold excludes thousands of working families who earn too much to qualify for assistance but far too little to afford average costs of childcare.

For families that do not qualify for assistance, childcare costs are prohibitive. As shown in the table below, the average annual cost of infant care in our state exceeds $10,000, far

[1] "Ohio's childcare crisis, 2025." Ali Smith, Kathryn Poe, and Heather Smith. *Policy Matters Ohio*. Apr. 2025.
[2] "Ohio's Response to COVID-19: Child Care Actions." *Bipartisan Policy Center*. Jan. 2021.
[3] "How Ohio's Publicly Funded Child Care measures up." Heather Smith. *Policy Matters Ohio*. Mar. 2025.
[4] "Who can get child care assistance?" *Ohio Department of Children & Youth*. November 2025.
[5] "2026 Poverty Guidelines: 48 Contiguous States (all states except Alaska and Hawaii)." *Office of the Assistant Secretary for Planning and Evaluations, U.S. Dept. of Health and Human Services.*

above what most families can afford. To meet federal affordability standards,[6] a family would need to earn nearly $150,000 a year to comfortably afford care for a single infant.[7] These costs force families into impossible trade-offs: reducing work hours to keep childcare costs down, one parent leaving the workforce entirely because their salary is less than childcare costs, parents working opposite shifts to reduce their need for childcare or relying on unstable or informal care arrangements that are free.

Table 4.1

The high cost of childcare in Ohio

Average costs of childcare by age of child and type of provider

Age	Childcare Center	Family Childcare Home-based Provider
Infants 12 months or younger	$13,859	$10,548
Toddlers ages 13-36 months	$12,452	$10,033
Preschoolers ages 37 months–5 years	$11,261	$9,026

Source: "2024 Annual Report." Ohio Child Care Resource & Referral Association. • Created with Datawrapper

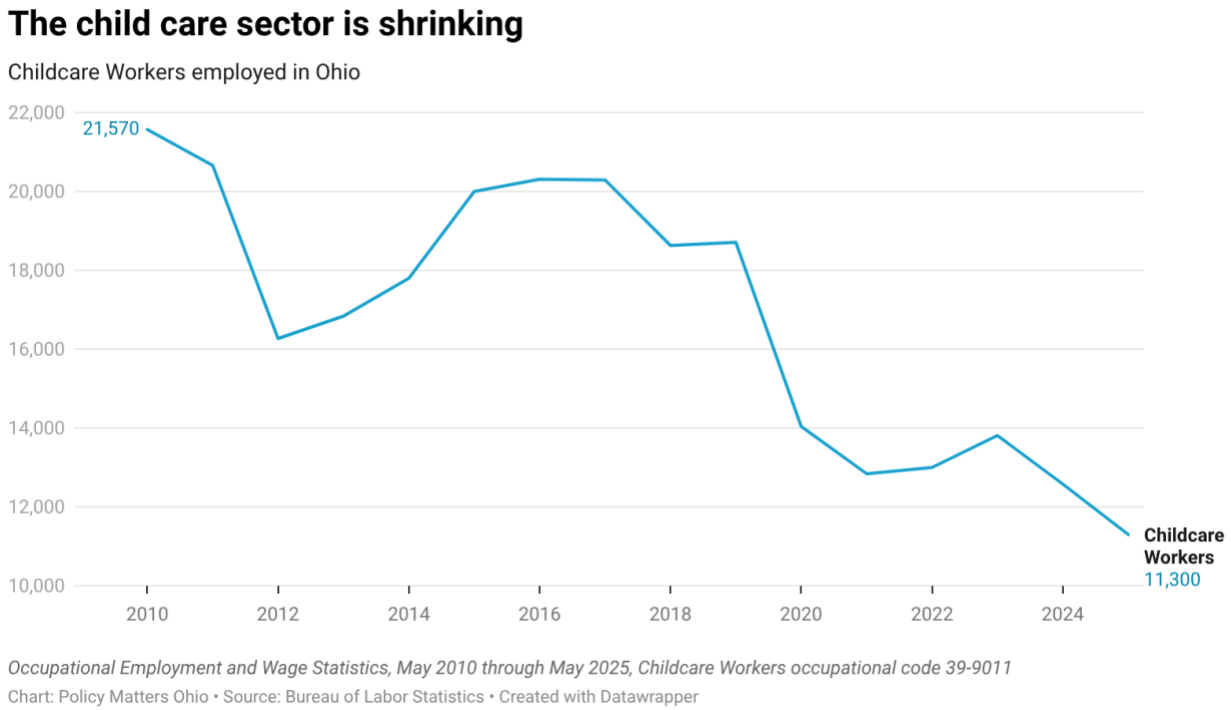
Simply put, the high-quality childcare that every Ohio baby and child deserves is not cheap. But high costs do not translate into big profits for providers. Instead, they reflect structural underfunding and the labor-intensive nature of high-quality care. Babies and children thrive with consistent caregivers and low classroom ratios.[8] Early childhood education is key to long-term success, and many educators have degrees and decades of experience. They deserve to be paid like the professionals they are, and to earn good wages for their own families.[9]

Ohio's childcare workforce is among the lowest-paid in the state's economy. The median wage for childcare workers is just $14.27 per hour.[10] Early childhood education is a high-skill, high-responsibility field and these educators need and deserve higher wages. Low wages in the sector drive constant turnover and a shrinking labor force.[11] Workers leave for higher-paying jobs with better schedules and less stress. This drains providers of

[6] "Ohio's childcare crisis, 2025." Ali Smith, Kathryn Poe, and Heather Smith. *Policy Matters Ohio*. Apr. 2025.
[7] This measure of affordability relies on the federal government's standard of 7%. Other sections of this paper use different affordability measures. In the Median Wage section we rely on the Economic Policy Institute's Family Budget Calculator, which measures an adequate, yet modest standard of living.
[8] "Ratios and Group Sizes in Child Care Matter for Babies." Zero to Three.
[9] "Child care payment changes could stabilize a sector in crisis." Ali Smith. *Policy Matters Ohio*. January 13, 2026.
[10] Occupational Employment and Wage Statistics. United States Bureau of Labor Statistics. Accessed June 10, 2026.
[11] "Examining teacher turnover in early care and education." Rob Grunewald, Ryan Nunn, and Vanessa Palmer. *Federal Reserve Bank of Minneapolis*. April 29, 2022.

experienced staff and undermines program quality for Ohio children. As shown in Figure 4.1, from 2019 to 2025 the number of childcare workers in Ohio dropped by 39.6%.[12]

Figure 4.1



When families cannot afford care, providers struggle to fill seats. When providers operate with razor-thin margins, they cannot raise wages. When wages remain low, workers leave the field, driving shortages that further reduce supply and raise costs. State policy plays a decisive role at every step, and Ohio lawmakers continue choosing not to intervene at the scale required to break this cycle.

Unequal impacts: Women, caregivers, and children bear the greatest burdens

The impacts of Ohio's childcare crisis are not evenly distributed. Women, especially mothers of young children, are far more likely to reduce work hours or exit the workforce due to lack of care.[13] Families of color face additional barriers due to historic underinvestment, discrimination, and lower wages.[14]

[12] Occupational Employment and Wage Statistics. U.S. Bureau of Labor Statistics. Accessed June 10, 2026.
[13] "The Child Care Crisis Is Keeping Women Out of the Workforce." Leila Schochet. *CAP*. March 28, 2019.
[14] Delesiya Davis took a closer look at this issue in the July 27, 2023 Equal Rights Advocates article, "Black Women's Equal Pay Day: Pay Disparities Compounded by Occupational Segregation." The original research is available in a Center for American Progress report from March 29, 2022 titled "Occupational Segregation in America."

Low wages in the childcare sector also disproportionately impact women, particularly Black women. A full 95% of the childcare workforce is made up of women[15] and Black Ohioans are more likely to be childcare workers than their counterparts of other races, making up 17.7% of the childcare workforce[16] but just 12.5% of the state's population.[17] Chronic undervaluation of care work reflects long-standing structural racism[18] and sexism[19] baked into labor markets and public policy.

Instability in early care disrupts development, undermines school readiness, and compounds inequities. Children with disabilities or medical needs, or those needing care outside typical day-shift hours are particularly vulnerable to the harms of this crisis.[20]

Lessons from other states: Public investment can stabilize the childcare system

Across the country, lawmakers are responding to the childcare crisis with real policy change and investment. Ohio must catch up.

Kentucky policymakers implemented a program to provide free childcare for childcare workers.[21] This program has been effective at solving staffing gaps, increasing available childcare slots, and beginning to address the larger crisis.[22]

West Virginia's policymakers recently moved to stabilize providers by shifting to enrollment-based, prospective payments.[23] This payment method aligns state subsidies with the private market and has been clearly identified as a best practice because it makes revenue more predictable for providers, keeping classrooms open for working parents.[24] Ohio's policymakers are going back on their promise to move to this payment method.[25]

New Mexico policymakers have gone further than those in any other state, implementing near universal free childcare with no income cap in 2025. This was the result of years of deliberate policymaking, including expanding eligibility, eliminating copays, and investing hundreds of millions of state dollars in the system.[26]

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[15] According to American Community Survey 2024 5-year estimate PUMS data, accessed August 21, 2026. Out of 42,163 childcare workers in the state, 39,908 are designated as female.
[16] American Community Survey 2024 5-year estimate PUMS data, accessed January 28, 2025. Out of 42,163 childcare workers in the state, 7,475 are designated as Black or African American alone.
[17] US Census Data, Ohio's 2020 State Profile.
[18] "Minimum Wages and Racial Inequality," Ellora Derenoncourt and Claire Montialoux. *The Quarterly Journal of Economics*. Vol. 136, Issue 1. February 2021.
[19] Equal Pay Act of 1963. *U.S. Equal Employment Opportunity Commission.*
[20] "Ohio's childcare crisis, 2025." Ali Smith, Kathryn Poe, and Heather Smith. *Policy Matters Ohio*. April 15, 2025.
[21] Kentucky Administrative Regulations Title 922 Chapter 2 Regulation 160 Section 4(4)
[22] "Kentucky Had an Outside-the-Box Idea to Fix Child Care Worker Shortages. It's Working." Hei-Ock Kim. *Kim Center for Social Balance*. April 3, 2025.
[23] *West Virginia Legislature*, 2026 Regular Session, House Bill 4191.
[24] "Child care bill raises hopes for parents, businesses." Faith Abdullah. *The Dominion Post*. May 1, 2026.
[25] "Child care surveillance bills are cause for concern." Ali Smith. *Policy Matters Ohio*. February 3, 2026.
[26] Universal Child Care. *New Mexico Early Childhood Education & Care Department.*

As of August 2026, there are 55 voter-approved funds for children across the country. These funds are generally dedicated, public funding streams that state and local governments use to invest in childcare and the needs of children in their communities. These funds are overwhelmingly popular: Voters have consistently reauthorized funding after implementation.[27]

Federal landscape: Rollbacks are worsening Ohio's childcare crisis

Federal policy choices are deepening the childcare crisis rather than addressing it. In May 2026, the Administration for Children & Families finalized a federal rule rolling back key protections in the Childcare and Development Fund that plays a crucial role in Ohio's PFCC program.[28] This includes removing requirements to limit family copayments to 7% of household income and to pay providers based on enrollment rather than attendance.

Some states have implemented the changes rescinded in the federal rule regardless because they recognize the importance of investing in the sector.[29] However, in states like Ohio where policymakers choose to do the bare minimum required for childcare programs, this will mean ongoing instability, more closures, and increasing costs for families.[30]

The cost of inaction: Ohio loses billions each year to childcare failures

Ohio's failure to invest in childcare results in enormous economic costs. A 2025 report by the U.S. Chamber of Commerce Foundation found that Ohio loses approximately **$5.48 billion every year due to childcare breakdowns**.[31] The report characterizes the estimate as conservative, meaning that the true cost may be even higher.

When parents leave the workforce or reduce hours, the state loses income-tax revenue, payroll tax contributions, and consumer spending resulting in sales-tax revenue. The report estimates $1.52 billion annually in forgone tax revenue tied directly to childcare barriers.

Employers also pay a heavy price for Ohio's underfunded system. Businesses in the state lose nearly $4 billion annually due to childcare-related absenteeism, employee turnover, and reduced productivity. The Chamber's analysis clearly shows that childcare is now a central workforce issue affecting recruitment and retention across industries. As labor shortages persist, childcare constraints continue to remove workers from the labor market altogether. This dynamic harms small businesses and large employers alike.

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[27] "Voter-Approved Children's Funds Nationwide," *Children's Funding Project.* August 13, 2026.
[28] "CCDF Final Rule is a Blow to Access and Stability for Families and Child Care Providers." Wendy Chun-Hoon. *Center for Law and Social Policy*. May 11, 2026.
[29] "Warning Signs: State Child Care Assistance Policies 2025." Karen Schulman. *Nat'l Women's Law Center*. May 2026.
[30] "Federal Childcare Changes May Leave Providers, Families in the Lurch." Emily Tate Sullivan. *Zero 2 Eight, The 74*. May 14, 2026.
[31] "Untapped Potential in OH." *United States Chamber of Commerce*. 2025.

These losses reflect parents reducing hours, leaving jobs, or forgoing employment entirely because childcare is unavailable or unaffordable. Lawmakers who continue to underfund childcare are weakening the state's fiscal health.

Policy recommendations

Ohio legislators can fix this crisis, but only by treating childcare as essential public infrastructure and making sustained public investments. Policy recommendations include:

- Expand eligibility for PFCC to 300% so more working families can qualify.
- Reverse harmful last-minute changes in the 2025 budget bill that changed the hours thresholds for PFCC providers.[32]
- Make childcare free for childcare workers, strengthening recruitment and retention in a severely underpaid workforce while stabilizing the sector.[33]
- Raise provider payment rates so they reflect the true cost of delivering high-quality care, enabling providers to raise wages and keep classrooms open.
- Pay providers prospectively based on enrollment rather than attendance.

[32] "Good, bad, and ugly budget outcomes for child care in Ohio." Heather Smith and Ali Smith. *Policy Matters Ohio*. December 9, 2025.
[33] "Free Childcare for Childcare Workers is a better solution to Ohio's childcare crisis." Ali Smith. *Policy Matters Ohio*. February 20, 2025.