

Universal Child Care

A POPULIST POLICY FROM DĒMOS' 2026 POWER POLICIES



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Dēmos

POPULIST POLICY

Universal Child Care

THE PROBLEM

High-quality child care is essential for healthy child development, and child care work sustains families, communities, and the broader economy. Yet our current policies fail to meet these basic needs.

Families are Overwhelmed and Financially Stretched

Child care costs have grown faster than inflation¹ and exceed² public college tuition in most states. These high costs force many parents out of the labor force in order to remain home to care for loved ones. More than 1 in 4 parents have had to quit a job or drop out of schooling because they can't afford child care. Additionally, high child care costs³ push 134,000 low-income families into poverty each year, and an average of 446,000 middle-class families are pushed into a lower income bracket. And these burdens fall unevenly: More than 70 percent⁴ of Black, Hispanic, and immigrant parents face unaffordable child care prices. Moreover, due to systemic public underinvestment in child care, there is a significant lack of licensed child care⁵ in urban and rural majority-Hispanic communities and in rural majority-Black communities.

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Child Care Workers are Overworked and Underpaid

Care workers, who are disproportionately⁶ Black and brown women, are paid some of the lowest wages⁷ in any industry. Child care worker turnover is 65 percent higher⁸ than the median turnover rate for all occupations because of low pay and labor-intensive working conditions. High turnover in child care leads to worse⁹ student outcomes and increased logistical and financial pressure¹⁰ on families.

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Underinvestment in Care Costs Our Communities and Our Economy

When parents lack reliable child care, they suffer absenteeism (missing work) and presenteeism (being distracted at work), and that ripples out to affect the economy as a whole. Insufficient child care infrastructure costs the economy \$172 billion¹¹ each year due to absenteeism and turnover, harming¹² businesses' bottom lines and constraining¹³ economic growth as parents forego opportunities to increase their earning potential.

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\$172B



When child care is universally provided, it is free for every family regardless of their income level.

THERE'S A POLICY SOLUTION FOR THAT

Economists¹⁴ and policy experts¹⁵ agree that only sustained, large-scale public investment can ease the child care burden working families face.

Indeed, in other wealthy nations¹⁶ around the world, care for young children is available, accessible, and affordable to all families that need it. The technical term for this is “universal child care.” An effective universal child care policy requires several key inputs:

- 1 Ensure that every family that needs child care is eligible to access support.** Universal child care should be high-quality, available, accessible, and affordable for all families with children who are not yet old enough to go to school. When child care is universally provided, it is free¹⁷ for every family regardless of their income level. This makes administering the program simpler,¹⁸ ensures that families who need care do not encounter complex eligibility requirements,¹⁹ and creates a strong and engaged²⁰ base of support for the program.

It may take time to raise the revenue needed to ensure universal access. In the meantime, governments can phase in greater accessibility and affordability by looking to already-existing means-tested programs and raising the income threshold²¹ for receiving assistance.²² This can alleviate immediate needs for working families while putting in place other key elements of a universal child care policy.



- 2 Designate a sustainable funding source for universal child care.** To cover the significant costs of universal child care, a universal child care policy needs to designate a clear, sustainable funding stream for the public good it will underwrite. Otherwise, there is too much risk that child care services will become unreliably funded when political winds shift. There are several²³ examples²⁴ of states creating designated early childhood education funds that serve as dedicated endowments for child care systems. Other jurisdictions, such as Vermont and Washington, D.C., have already created payroll²⁵ or wealth²⁶ taxes or have the potential to set taxes that specifically fund early childhood education. These options are also available to the federal government.
- 3 Raise wages and improve conditions for child care workers.** Raising wages is an essential step²⁷ toward ensuring that child care workers can afford to remain in the profession and to expand the workforce with new care workers. This, in turn, reduces workforce turnover,²⁸ which improves care quality.²⁹ Some states³⁰ have opted for a direct payment to early childhood educators, while others³¹ condition public funding to child care providers on those providers paying their employees at a higher rate than they would otherwise receive without public funding to support the wage increase.

These solutions can be implemented at the local, state, or federal level—and we can already look to powerful examples in San Francisco,³² New Mexico,³³ or federal³⁴ universal child care programs during World War II.



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THIS SOLUTION WORKS FOR BLACK AND BROWN PEOPLE

By capping or eliminating costs for parents, designating a financially sustainable revenue source, and raising wages for workers, universal child care will create better outcomes for all—and more equitable outcomes for Black and brown families,³⁵ workers,³⁶ and communities.³⁷

Where elements of this policy have already been adopted, there is already evidence of how the policy has alleviated financial insecurity³⁸ for Black and brown child care workers and increased child care enrollment³⁹ in a state where people of color make up nearly two-thirds of the population.

Some might argue that the low-income states where Black and brown parents and children are disproportionately represented cannot afford universal child care, yet these states are acting. For example, New Mexico's population is majority people-of-color,⁴⁰ and it is one of the poorest states⁴¹ in the country, yet it has created one of the nation's most ambitious universal child care systems. New Mexico's child care funding structure is unique in that it relies on public revenue from the state's oil and gas resources. But the organizers and advocates who won universal child care in the state have emphasized that they do not have universal child care because they have oil and gas resources; they have universal child care because a broad and well-organized coalition forged the political will to identify a funding source that many had previously labelled as untouchable.⁴²

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THIS SOLUTION BUILDS POWER

Universal child care funded through dedicated public investment is not only an economic policy intervention; it is a strategy for building lasting political and economic power for working families and Black and brown communities.

A universal child care program that requires improved wages and working conditions for child care workers would improve the quality of care children receive while reducing the immediate economic strain on families and the turnover rate for workers. As workers stay in the profession longer, they become more important stakeholders in determining its future. And as families see the benefits of universal child care, and the care workers who provide it, it primes public support for continued investment and further expansion of the benefits of the policy.

Over time, these dynamics can create powerful feedback loops that can reverberate through future elections and policy debates while better defining and empowering key child care constituencies.⁴³ In New Mexico, the demand for universal child care brought together a powerful coalition of working families, early childhood educators, and child care providers that won universal child care. In California, after child care workers won the right to unionize and collectively bargain, child care workers and parents wielded enough power to successfully defend state funding for child care from budget cuts.⁴⁴ By delivering tangible economic gains and improving daily life, the fight for child care solidifies a broad, multiracial coalition of workers and families with a vested interest in building, expanding, and maintaining a system for universal child care.

RESOURCES TO LEARN MORE

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DĒMOS STAFF WHO CAN PROVIDE MORE INFORMATION

Nick Wertsch, Associate Director of Workplace Justice

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