

U.S. Child Care Crisis Now Costs the Economy \$172 Billion a Year, New Report Finds

At TOOTRiS-sponsored U.S. Capital Hill briefing, ReadyNation releases new analysis detailing mounting workforce risk and the rising cost of inaction for U.S. employers

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-- A new national [analysis](#) released today by [ReadyNation](#) finds that the U.S. Child Care crisis now costs the economy \$172 billion annually,

creating a growing workforce risk for

employers across industries. The findings were discussed during a press briefing at the U.S. Senate, where [TOOTRiS](#), the nation's largest and most comprehensive Child Care Services Network, was a sponsor of the event. Nearly 75 percent of parents report paying as much as or more for Child Care than for housing, highlighting the immense financial strain on working families and the ripple effects across the workforce.

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*Alessandra Lezama, TOOTRiS
CEO*

The findings were unveiled Wednesday at a Capitol Hill briefing in Washington, D.C., bringing together business leaders, policymakers, economists, and working parents to examine the escalating economic toll of the Child Care crisis and the rising cost of inaction. As labor shortages continue to pressure employers, the discussion spotlighted the expanding role of employer-led solutions and public-private partnerships in stabilizing the workforce and

strengthening long-term economic resilience. Kelly Davydov, a member of the TOOTRiS Government Solutions team, joined the Capitol Hill panel to share insights on how collaborative, technology-enabled Child Care strategies are delivering measurable workforce gains at scale.

At the heart of the analysis is a simple economic reality: parents cannot work without Child Care. When access to care fails, the consequences cascade through businesses and communities — disrupting operations, accelerating turnover, shrinking the labor supply, and increasing financial



strain on employers and taxpayers alike.

“ReadyNation’s data from the past seven years shows that the failure to strengthen the country’s fragile child care infrastructure has led to escalating economic damage to employers, workers, and taxpayers,” said Nancy Fishman, National Director of ReadyNation. “In short, insufficient child care acts as a drag on the U.S. economy. The business leaders of ReadyNation call on federal, state and local policymakers to better-support families’ ability to find affordable, high-quality child care. Effective, well-funded policy initiatives that address child care supply, worker compensation and training, and affordability at the federal, state, and local levels, will yield a child care system that will improve life outcomes for millions of children today and strengthen the workforce and economy both now and in the future.”

Key Report Findings:

- 90 percent of parents say finding Child Care is challenging
- 73 percent pay the same or more for Child Care than for housing
- 60 percent have missed work or reduced hours due to Child Care disruptions
- Just 16 percent of parents report receiving financial support for Child Care from their employer

That final figure highlights a critical opportunity for employers. While most working parents receive no financial support for Child Care today, employer-supported Child Care Employee Benefits are emerging as one of the most effective ways to help close that gap.

Employer Child Care Benefits Show Proven Returns:

While employer supported Child Care remains the exception, momentum is building as more businesses confront the cost of inaction and invest in solutions that support working parents and stabilize their workforce.

Through TOOTRiS, Child Care Employee Benefits give working parents access to more than 230,000 Child Care options nationwide, while allowing employers to contribute subsidies through one unified platform to help drive down costs, reduce absenteeism, and improve retention.

For employers, the return on investment is increasingly clear.

Through partnerships like Mazda Toyota Manufacturing, TOOTRiS has helped employers expand their workforce by more than 25 percent, including in regions considered Child Care deserts. These partnerships have also driven retention gains of up to 20 percent among female workers, demonstrating how access to Child Care directly supports workforce growth and long term stability.

“Child care isn’t a personal problem, it’s an economic one,” said Reshma Saujani, Founder and CEO, Moms First. “Women can’t work without child care. And when women can’t work, businesses can’t grow. Employers in our National Business Coalition for Child Care see it every day. Removing barriers to child care is how you keep moms in the workforce and the economy moving.”

“More employers are recognizing that the high cost of doing nothing far outweighs the investment in a solution,” said Alessandra Lezama, CEO of TOOTRiS and member of the ReadyNation CEO Task Force on Early Childhood. “Child Care Benefits have proven to be the single strongest lever for driving retention and productivity. By leveraging the newly expanded Section 45F tax credit — which now provides up to \$500,000 annually to offset costs — and pairing it with the increased \$7,500 DCAP limit, employers can effectively eliminate ‘Child Care deserts’ for their workforce and transform this national crisis into a major competitive advantage.”

Technology Bringing Stakeholders to the Same Table:

A fundamental shift is underway across the Child Care ecosystem, with technology serving as the foundation for a new model gaining momentum in cities, counties, and states nationwide. Shared technology is breaking down long standing silos between employers, providers, families, and public agencies, allowing them to work together in coordinated and scalable ways.

That model is Tri-Share. In a Tri-Share approach, the cost of Child Care is shared among employers, public partners, and families, reducing the financial burden on parents while strengthening workforce participation. Technology makes this possible by aligning funding sources, simplifying administration, and creating transparency across the system.

Through partnerships in Missouri, North Carolina, and Dallas County, TOOTRiS is helping communities put Tri-Share into practice at scale, cutting Child Care costs for families by as much as two-thirds while improving access and coordination. As these models continue to expand, technology is proving essential to building a more stable and sustainable Child Care system.

While the findings are sobering, they also reinforce why the work underway matters. Employer leadership, public sector engagement, and technology enabled coordination are beginning to converge, creating a foundation for meaningful and lasting change.

ABOUT TOOTRiS:

TOOTRiS is the nation’s largest, most comprehensive technology platform for Child Care, partnering with government agencies, employers, and providers to modernize access, funding, and administration of Child Care systems. Through its platform, TOOTRiS streamlines complex funding models — including subsidies, cost-sharing programs like Tri-Share, and employer benefits — into one integrated, transparent digital experience. With a network spanning more than 230,000 licensed providers, TOOTRiS helps strengthen local Child Care systems, reduce

administrative burdens, and ensure more families can reliably find and afford quality care. For more information, visit www.tootris.com.

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