

MEMO *Published September 28, 2026 · 7 minute read*

Universal Child Care Coverage

Curran McSwigan & Zach Moller



Child care has become one of the defining economic challenges facing American families. Parents can't work if they can't find care. Employers can't hire if workers can't find care. And children miss out when families are forced to settle for arrangements that don't meet their needs.

Yet Washington has spent decades arguing about how much to spend on child care without first answering a more fundamental question: **What should every family actually be able to expect?**

In health care, we don't define coverage simply by whether someone has an insurance card. Coverage means being able to see a doctor when you need one, at a price you can afford. Child care deserves the same standard. Families should be able to find affordable care close to home or work, in the hours they actually need it, and in the setting that works best for their children.

That's why the next president should commit to achieving **Universal Child Care Coverage**: ensuring that every family has access to at least three affordable child care options within a 15-minute drive of home or work.

Most child care proposals focus on the demand side of the equation: helping families pay for care through generous subsidies. That matters. But subsidies alone can't solve the problem if there simply aren't enough child care options to choose from. Universal Child Care Coverage also tackles the oft-forgotten other side of the equation by dramatically growing child care supply via a wide range of providers and approaches.

Achieving Universal Child Care Coverage isn't about creating an expensive one-size-fits-all government program. It's about building a child care market with enough providers, flexibility, and capacity to meet the diverse needs of working families. Doing so will require four priorities: expanding the supply of child care, increasing flexibility for parents, strengthening the child care workforce, and engaging employers as partners.

Expand the Choices for Families

Universal Child Care Coverage begins with one simple idea: families should have real choices. Today, too many communities simply don't have enough providers to give families one good option—let alone three. Home-based providers are disappearing, infant care remains difficult to find, and outdated regulations continue to limit choices. Rebuilding America's child care supply should be the first priority.

Bring back home-based child care. Home-based child care—where smaller providers care for children out of their own homes—is often the most affordable, flexible, and accessible

choice for parents. But nearly half of home child care providers shut their doors between 2005 and 2017. ¹ Modernize zoning rules affecting home-based providers, streamline startup requirements, and help more entrepreneurs open and expand home-based child care businesses.

Expand infant care where it's needed most. While all working parents should have access to paid parental leave, they should not have to delay returning to work because they can't find care for their babies. Yet infant care remains difficult to find in large part because it is the most expensive type of care for providers to offer. Invest in expanding the number of providers that care for young children, particularly among rural and underserved communities.

Cut barriers to opening a child care business. Providers should spend more time serving families than navigating paperwork. Eliminate outdated licensing and regulatory requirements that make it hard for providers to grow, while maintaining strong health and safety standards. ² Making it easier to open and expand child care businesses will give families more affordable options closer to home.

Increase Flexibility for Parents

Universal Child Care Coverage isn't just about having providers nearby. Families also need child care that fits the realities of their lives. A provider that closes before a parent's shift ends or only offers full-time care leaves too many families effectively uncovered. Millions of Americans work evenings, weekends, or irregular schedules, but too much of the child care system is still built around a traditional 9-to-5 workday.

Expand care beyond the 9-to-5. Coverage shouldn't end at 5:00 p.m. Parents working early mornings or late nights should have access to reliable care just like everyone else. Help providers offer evening, weekend, and overnight care so parents can work the hours their jobs require and employers can retain the workers they need. ³

Make child care assistance easier to use. Many families rely on more than one child care provider over the course of a week or month. Policy should reflect that reality. Modernize child care assistance programs by making it easier to combine and use benefits across approved care providers.

Support flexible care options. Many families don't need, or can't use, traditional full-time child care. Incentivize providers to offer part-time, drop-in, and flexible-hour care arrangements to give parents more options that match the realities of their working lives. ⁴

Strengthen the Child Care Workforce

Universal Child Care Coverage depends on more than buildings and classrooms—it depends on people. Families can't have more choices unless America has more qualified child care professionals. That means making it easier to enter the profession, rewarding workers for the skills they demonstrate, and giving providers the capacity to grow.

Create more pathways into child care. Apprenticeships allow workers to earn a paycheck while learning the skills of their chosen profession, but too few child care providers have the financial and technical capacity to offer them. Expand hands-on support and start-up funding to make apprenticeships a standard pathway into the profession.

Reward skills, not seat time. Child care workers should be recognized for the skills they demonstrate, not arbitrary credit hours that can vary from state to state.⁵ Shift to competency-based standards to reduce unnecessary barriers to entry, increase worker mobility, and ensure high-quality care.

Help providers grow. Providers shouldn't spend more time managing paperwork than caring for children. Support shared services, streamline administrative requirements, and better align public funding with the actual cost of providing care. These reforms would free providers to hire more workers, expand capacity, and serve more families.

Engage Employers as Partners

Universal Child Care Coverage isn't just a family issue—it's an economic one. When child care falls short, parents lose income, businesses lose workers, and the economy falters. Employers benefit from a stronger child care system, and they should help build one.

Reward employers that invest in child care. Businesses that invest in child care shouldn't be at a competitive disadvantage. Modernize and expand the employer-provided child care tax credit to better reflect the ways businesses support working families today and encourage more employers to invest in child care solutions.

Help employers partner with providers. Many employers can't provide child care on-site, but they can help connect workers with trusted local providers. Expand grants and technical assistance offerings that help businesses and child care providers work together to increase access to care. These partnerships could be particularly valuable in sectors such as health care, manufacturing, and hospitality, where nontraditional schedules and workforce shortages are common.

Expand back-up child care. A sick kid or unexpected school closure shouldn't force a parent to miss work.⁶ Make it easier for employers to offer back-up care benefits that give

working parents a reliable fallback when their regular child care arrangements fall through.

Build it Responsibly

Achieving Universal Child Care Coverage will require meaningful federal investment, and it should also be fiscally responsible. Every dollar should expand the supply of child care, increase families' choices, and make it easier for parents to find affordable care close to home or work.

Those investments should be fully paid for through a combination of new revenue and reprioritized federal spending.

Given that employers benefit from a reliable workforce and strong labor market, they should help finance that investment. A one-percentage-point increase in the corporate tax rate, which would raise an estimated \$100 to \$150 billion, should provide one source of dedicated funding.⁷ The remaining costs should be offset by reprioritizing existing federal spending and tax benefits toward policies that more directly expand child care supply and access.

Universal Child Care Coverage isn't about replacing America's diverse child care system with a one-size-fits-all government program. It's about making that system work better. By expanding choices, increasing flexibility, strengthening the workforce, and engaging employers as partners, America can ensure that every family has access to affordable child care that fits their lives.

ENDNOTES



- 1.** McSwigan, Curran. “Explaining America’s Child Care Problem.” Third Way, 16 Oct. 2025, <https://www.thirdway.org/report/explaining-americas-child-care-problem>. Accessed 21 Sept. 2026.
- 2.** Newman, Olivia, Curran McSwigan, and Zach Moller. “Nine Ideas to Make Progress on Child Care.” Third Way, 3 June 2026, <https://www.thirdway.org/report/nine-ideas-to-make-progress-on-child-care>. Accessed 21 Sept. 2026.
- 3.** Newman, Olivia, Curran McSwigan, and Zach Moller. “Nine Ideas to Make Progress on Child Care.” Third Way, 3 June 2026, <https://www.thirdway.org/report/nine-ideas-to-make-progress-on-child-care>. Accessed 21 Sept. 2026.
- 4.** Newman, Olivia, Curran McSwigan, and Zach Moller. “Nine Ideas to Make Progress on Child Care.” Third Way, 3 June 2026, <https://www.thirdway.org/report/nine-ideas-to-make-progress-on-child-care>. Accessed 21 Sept. 2026.
- 5.** McSwigan, Curran. “Explaining America’s Child Care Problem.” Third Way, 16 Oct. 2025, <https://www.thirdway.org/report/explaining-americas-child-care-problem>. Accessed 21 Sept. 2026.
- 6.** McSwigan, Curran. “Understanding Child Care in America.” Third Way, 12 Mar. 2026, <https://www.thirdway.org/presentation/understanding-child-care-in-america>. Accessed 21 Sept. 2026.

- 7.** “CBO’s Revenue Savings Options.” Committee for a Responsible Federal Budget, 10 Feb. 2025, <https://www.crfb.org/blogs/cbos-revenue-savings-options>. Accessed 21 Sept. 2026.