The Economic Value of Free Child Care in New York City

What child care costs New York City families and businesses, and an analysis of the economic value free child care could generate for them and the city's economy.



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The 5BORO Institute at Citizens Union
& Boston Consulting Group

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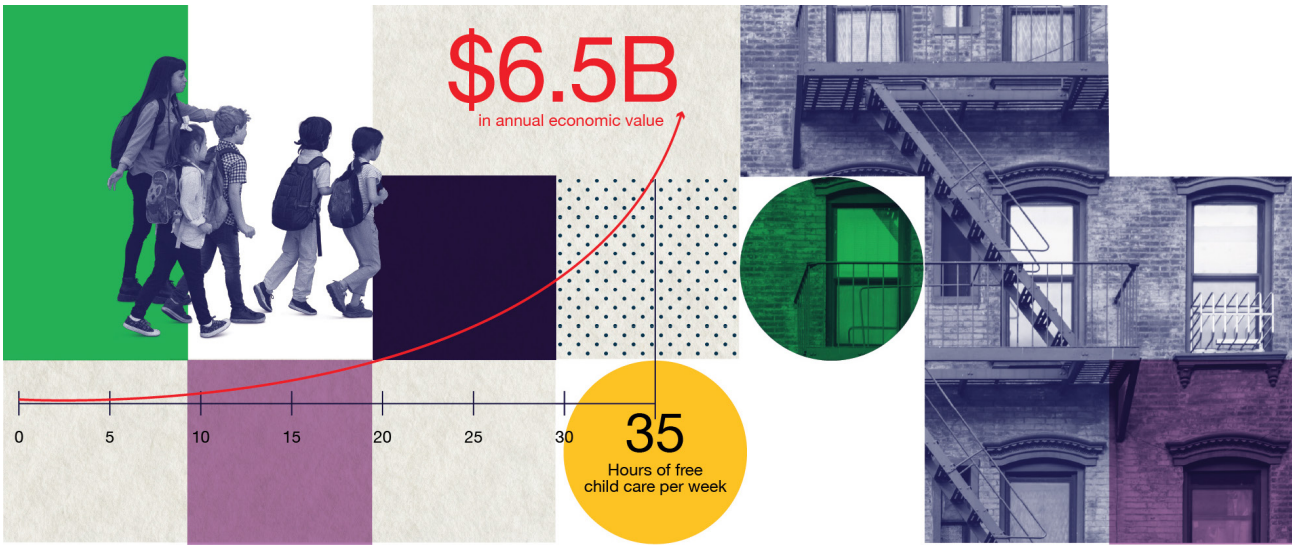
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Executive Summary



Child care is one of the largest and least visible costs of raising a family in New York City and also one of the biggest hidden factors shaping the city's workforce. In fact, a majority (nearly 70%) of children under age six in NYC live in a household where all available adults work (U.S. Census Bureau 2024). That means the businesses employing this talent depend, in turn, on child care working reliably. Between June and July 2026, the 5BORO Institute at Citizens Union and Boston Consulting Group (BCG) surveyed 2,716 parents of children under five across all five boroughs, including roughly 100 households that had recently left the city, to understand how the cost and availability of child care shapes parents' working lives, and what would change if their preferred child care was available at no cost.[1]

Our analysis estimated that expanding access to free child care for every child under five could generate up to $6.5 billion in economic value, matching or exceeding the potential costs.[2] That figure assumes 35 hours of free care a week for families not already getting it. The gains come from two places: parents who can now work or work more hours, and families who keep the money they'd otherwise spend on child care. The ultimate economic value will depend on a number of factors beyond what is quantified in this analysis. There is likely to be additional economic value from retaining families who might otherwise leave NYC, attracting families to the city, longer-term gains to earnings and retirement savings, reducing workplace turnover, reducing social services spending, and long-term social, educational, and economic benefits to children served. Some of these gains could be offset depending on how the costs to expand access are distributed.[3]

Child care is a foundational part of daily life for New York City families: most of the children under five in our surveyed households relied on some form of care beyond their primary caregiver. However, it comes at a significant cost as households spend a median of $16,000 (average of $21,000) per child, per year on child care. Scaled up to the NYC population, this suggests child care costs households as much as approximately $10 billion each year. For the lowest-earning households, child care isn't just a major expense: it consumes a third of their income. When that is not enough, families may borrow to make up the gap: one

[1] The terminology of "parents" and "families" is used throughout the report to refer to the primary caregivers of children ages 0-5 in the surveyed household.
[2] We estimate annual value of $5.1-6.5 billion. We estimate annual costs of $4.8-5.9 billion, based on 35 hours of child care per week. This excludes spend on current free and subsidized programs.
[3] Nothing in this report should be construed as indicating a preferred or assumed funding source for expanding access to free child care.



in six surveyed households have gone into debt just to keep paying for care.

The impact of child care shows up at work: 15% of parents have changed their work situation because of child care needs. Lost hours and lost jobs together cost NYC parents an estimated $1.7 billion in annual income. That loss doesn't stop with parents: employers absorb it too, in the form of turnover, vacated roles, and the cost of rebuilding teams. Even parents who stay on the job do so with frequent disruptions due to child care gaps, costing the city's employers an estimated 54 million hours and a meaningful share of their productivity every year. For businesses, child care has direct bottom-line implications.

Rising costs, with child care costs among them, are also pushing some families out of the city altogether. One in two surveyed families who left New York City in the last three years cited cost of living and named child care as a driver. Among those still living in the city, 13% of families say they have seriously considered leaving in the last three years because of child care costs. Scaled to NYC, those households could represent $5.4 billion in income at risk.

Based on this analysis, expanding access to child care could positively impact NYC families and businesses in several ways. Nearly all surveyed households said they would take up free child care if offered, with most preferring 35 hours a week (the scenario this report anchors on). At that level, the families who opt in would save $4.6 billion a year, money many families say would go first toward affording basic needs like housing, food, and transportation. Expanding access to free child care could also reshape how parents work, based on survey responses. 15% of employed parents we surveyed would change hours at their current job or start a new role and another 15% would keep their job but experience fewer disruptions. Among non-working parents surveyed, respondents said they were likely to enter NYC's fastest-growing industries, including health care and education. The primary respondents in this group skew heavily toward women (95%), households earning under $50,000 (64%), and Hispanic and Black parents. Scaling these responses to NYC's population yields an estimated 29,600 parents who could rejoin the labor force, representing nearly $1.1 billion in potential annual earnings.

2 Background

Existing research has begun to quantify the economic stakes of expanded access to free child care in New York City, from labor force participation effects to city-wide cost estimates, but these figures are typically modeled from either aggregate population data and externally-derived estimates, or from projected program costs.[4] Far less is known about how child care dynamics play out for families in NYC: what they currently pay and income they forgo from leaving work, how care disruptions shape their day-to-day working lives, and what they would do with expanded access to free child care. While grounded in New York City, the findings offer a data-driven reference point for other states and jurisdictions with populations facing similar child care challenges.

To better understand the economic impact of child care on families and New York City's businesses and economy, we set out to answer three questions: what child care arrangements families rely on today and what they cost, how becoming a parent changes a family's working life, and what parents would do differently with expanded access to free child care.

Between June and July of 2026, we surveyed 2,716 parents of children under five across all five boroughs, including roughly 100 households that had recently left New York City, to understand how the cost and availability of child care shapes the working lives of New York City's parents, and the economic value that child care could unlock in the form of increased employment and dollars saved for families. We asked parents about their current child care spending and arrangements, past impacts of child care on their work, and whether child care factored into decisions around where they live. To assess the potential economic impact of expanded access to free child care, we also asked parents to imagine the impact of being provided with 20, 35, or 50 hours of free child care each week, indicate what level of care they would use, and describe how they would spend the time and money it frees up.

In New York City, universal child care reaches a meaningful share of the families we surveyed, owing to expansions in both fully- and partially-subsidized care over the last decade. Approximately 40% of the children in families surveyed currently receive some amount of free or subsidized care (e.g., Head Start, public Pre-K, vouchers), with 89% receiving 20 hours of child care a week or more through those programs.

The inputs we received from the survey, as well as focus groups with households and employers, are compiled in this report which presents the findings and economic implications of what expanded access to free child care could mean for New York City's families, employers, and residents.

[4] For examples of studies reviewed, please refer to the following studies in the references section: (Center for New York City Affairs 2025; NYC Comptroller 2025; NYC Comptroller 2019).

Figure 1A: Percentage of NYC Children Whose Families Receive Some Free Care

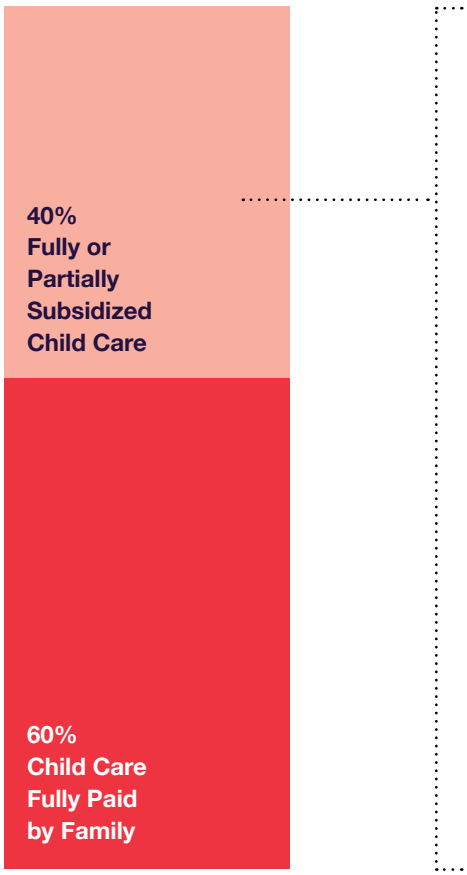
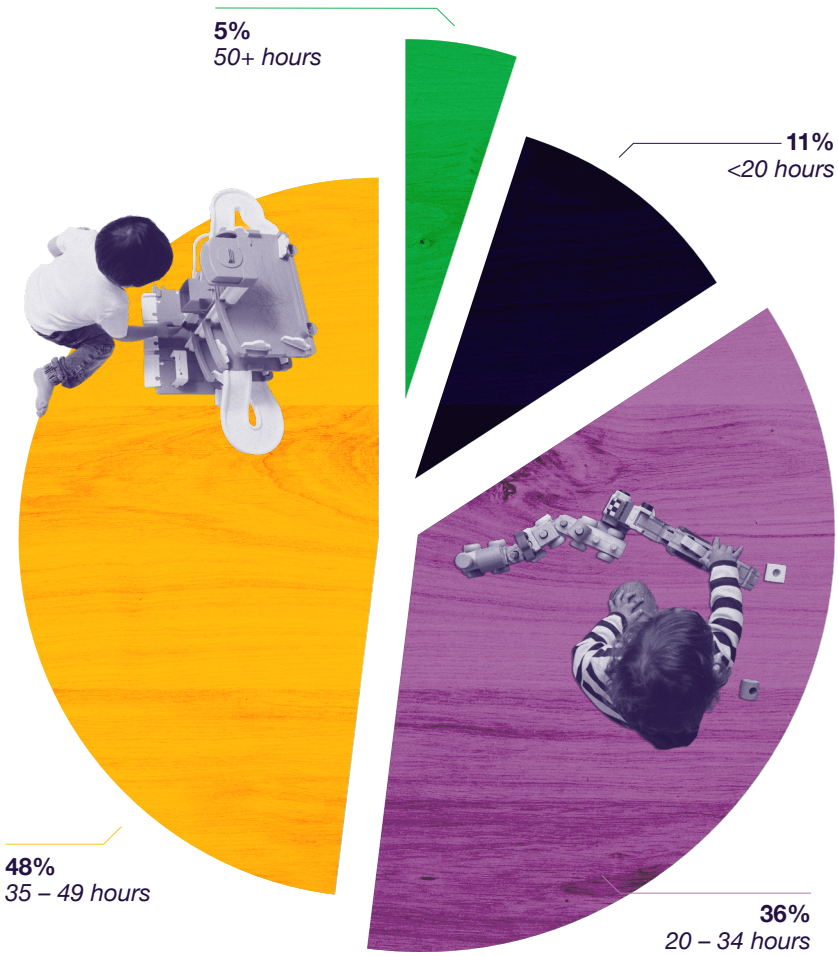


Figure 1B: Percentage of Children Receiving Different Hours of Free Child Care per Week (of the Children Who Receive Any Free Child Care)



How NYC Households Arrange Child Care Today

Most of the children under the age of five within our surveyed households (93%) are cared for by someone other than their parent or primary caregiver, with child care arrangements including center-based care (a daycare, preschool, or similar program), home-based care (a small group cared for in a private residence), a nanny, babysitter, or au pair, and/or family, friend, or neighbor care.

We found that on average, children in surveyed households spend 27 hours per week in non-parental child care, while their parents who work do so on average 37 hours per week. This gap suggests a shortfall between the child care coverage families need to support their work schedules and what they currently have access to.

Few families rely on a single form of care. The average child moves through 2.4 different arrangements each week, and 66% are cared for in two or more settings. This could mean a child spends the bulk of the week at a child care center or a school-based program such as Pre-K, with grandparents or a babysitter filling the gaps in needed care around it.

Families' child care needs are not "one-size-fits-all": for example, children in our sample spend a median of four hours a week in care during hours considered "non-traditional" (early morning, evening, or overnight). Child care needs can also vary over time, or unexpected needs may arise. Sixty-nine percent of surveyed families say their needs vary depending on the day or time, and 65% say their needs change over the course of the year.



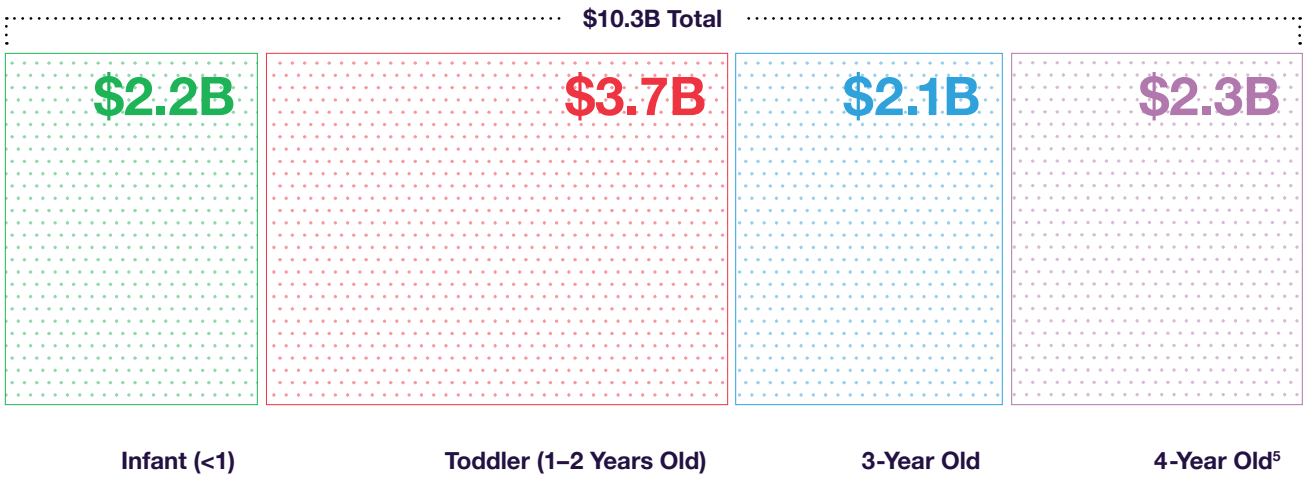
The Cost of Child Care

The cost of child care impacts families, employers, and NYC. Child care is a major cost for many households and impacts decisions around how much people work, how often their work is disrupted, and whether they can afford to remain in New York City.

4.1 Household Child Care Spending

Child care is a major expense for families. Families we surveyed spend a median of $16,000 per child on child care a year. Costs are highest for infants, closer to a median of $21,000 per child a year. Those numbers are median amounts reported by households in our survey, and families may pay more than is reported here depending on their needs and where they are located in New York City. Scaled to NYC, the total spend on child care is equivalent to approximately $10 billion each year.[5]

Figure 2: Annual Out-of-Pocket Child Care Spending, by Child Age ($B)

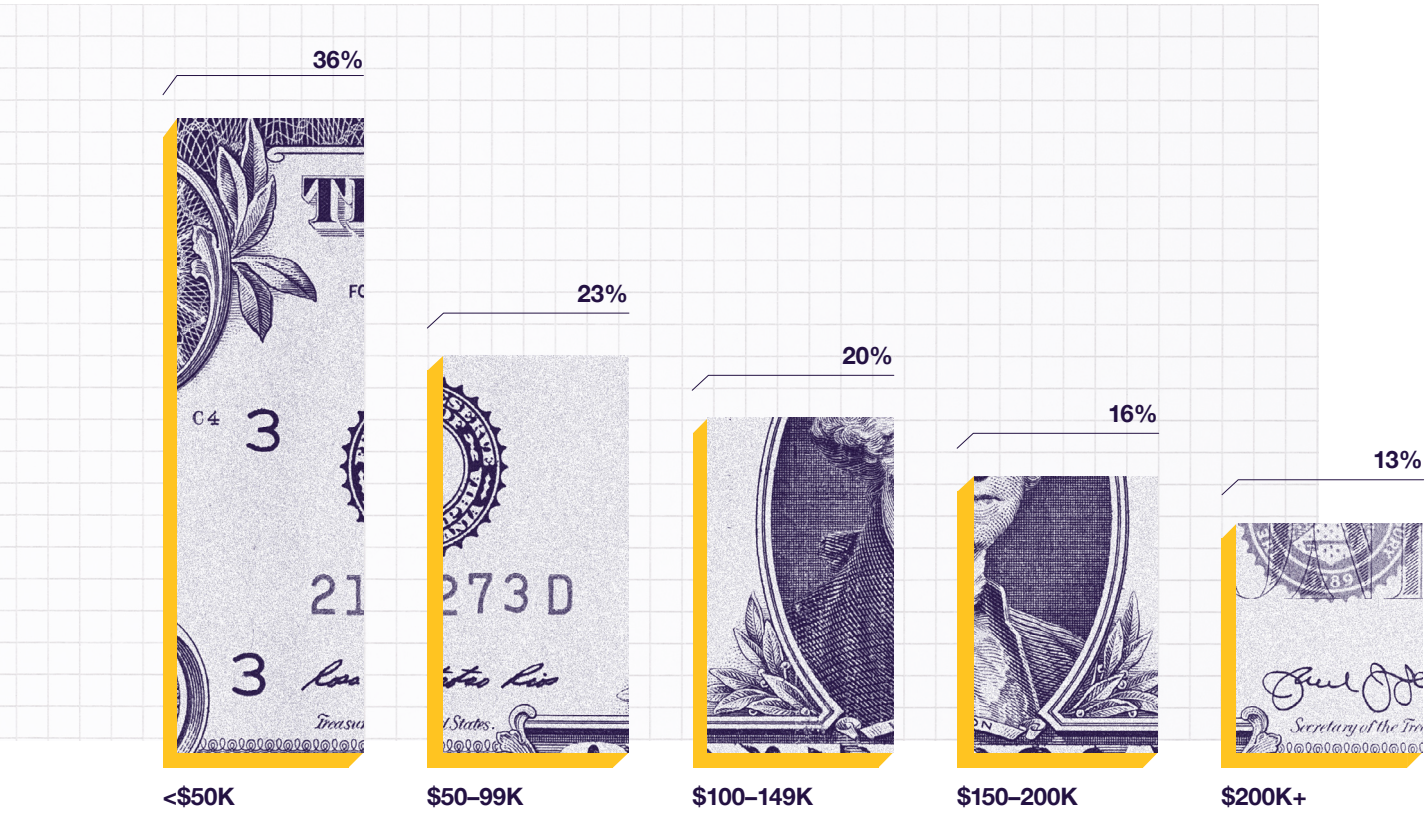


Note: Data reflect estimates of the annualized total out-of-pocket expenses for NYC households with child care costs, based on the survey respondents who reported having out-of-pocket costs.

[5] 4-year-olds include 5-year-olds not yet in kindergarten.

Child care costs account for 36% of household income for the lowest-earning households (annual household income below $50,000), compared to around 13% for higher earning households (over $200,000 per year). Roughly one in six surveyed households took on debt in 2025 specifically to keep paying for care.

Figure 3: Child Care Costs as a Percentage of Household Income



Note: Data reflect how much the surveyed households who reported out-of-pocket childcare costs are spending on average on child care annually within each given household income band.

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CASE STUDY

On Going Into Debt for Child Care

"Rachel" and her partner pay between $24,000 and $34,000 of their income on child care for their two children under five, and have taken on new debt every year since the younger one arrived.

"It has made us food insecure and has been a tremendous source of stress," she told us. "It's most disappointing to be in this situation despite having salaries that are not insignificant." If care were free, she said, the money would go first to the debt, then rent, then groceries.



4.2 Impact of Child Care on Employment

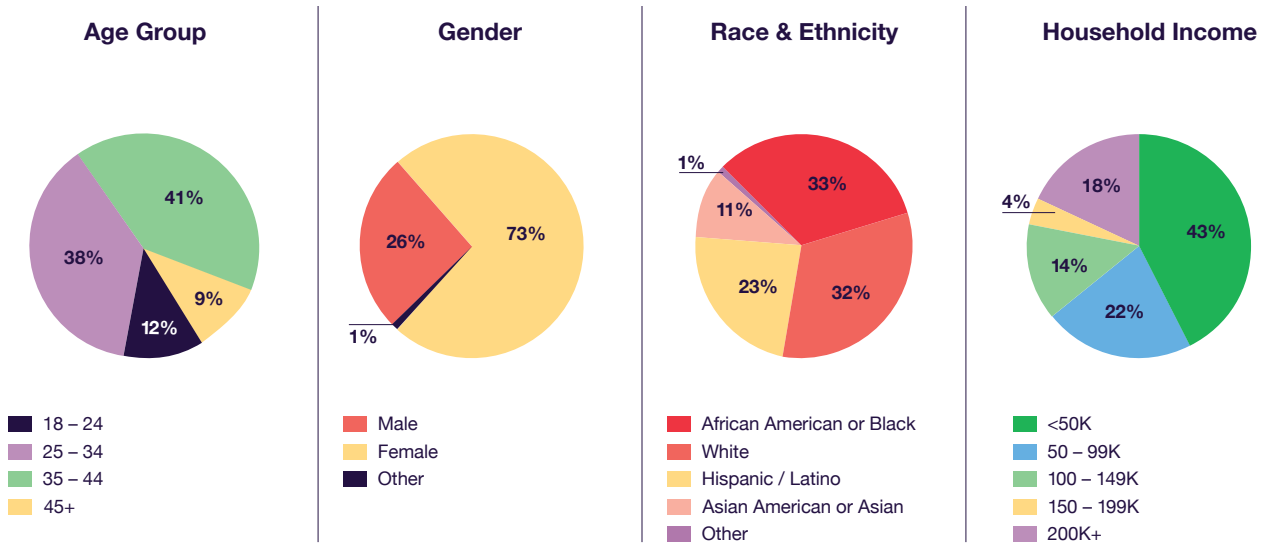
Fifteen percent of parents in our survey reported changing their work situation in the past because of child care needs. Of the broader group changing their work situation, most changed their hours at an existing job, but roughly one in four left the workforce entirely.

The primary survey respondents who left or lost their jobs are more heavily indexed toward specific demographics: 73% are women, one in two is Black and/or Hispanic, and 43% come from households earning under $50,000 a year.

This combination of reduced hours and lost employment amounts to an estimated $1.7 billion in forgone income for NYC parents, with those who left the workforce accounting for ~$1.6 billion of that total. The toll may fall on both sides of the labor market: parents lose ground on economic mobility, while employers face the cost of turnover.

Workforce disruptions not only affect parents who leave their jobs, but also the employers who depend on them. More than half of working parents we surveyed missed at least one full day of work in the past three months due to a breakdown in child care, and on average lost 3-4 full days and 4-5 partial days to these disruptions over a three-month period. Employers are impacted by these child care-related disruptions, particularly in industries that rely on in-person or shift-based work.

Figure 4: Demographic Characteristics of Parents Who Left or Lost a Job Since Becoming Parents



Note: Data reflect self-reported demographic characteristics of the primary respondents who either left or lost their job since becoming a parent.

The Industry with Round-the-Clock Care Needs

"Priya," an HR representative at a restaurant and nightlife company with more than 5,000 U.S. employees, including in New York, described how child care gaps quickly become staffing gaps. When care falls through, employees call out, and managers scramble to cover shifts. In a kitchen or on a restaurant floor, stepping away to handle it becomes "an impossible situation," as she put it.

Compounding the problem, the in-person, round-the-clock nature of the hospitality industry means traditional "9-to-5" child care settings simply don't line up with when her staff actually works. "Every daycare closes at around 5pm. But it's really that 5-to-10pm window that we need support with."

A Hospital Where Care Gaps Can't Wait

"Lydia," who works in HR for a major health care employer, described a workforce that is mostly female, working 12-hour and overnight shifts that run well past daycare hours. A nurse at the bedside cannot simply step away when care falls through.

"For a space that is heavily dependent on a female workforce, it becomes all the more dire for us," Lydia said.

Figure 5A: Missed and Disrupted Days by Parents' Pay Structure

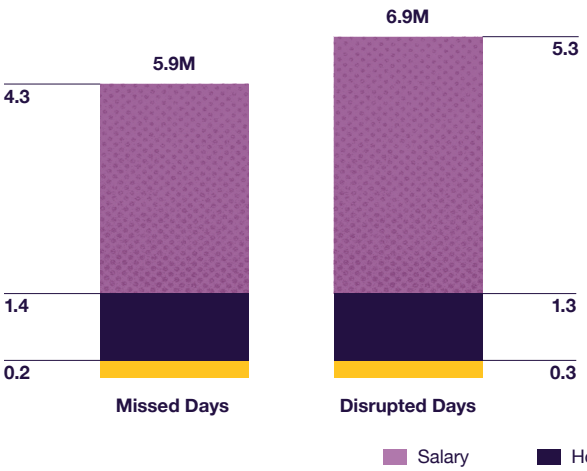
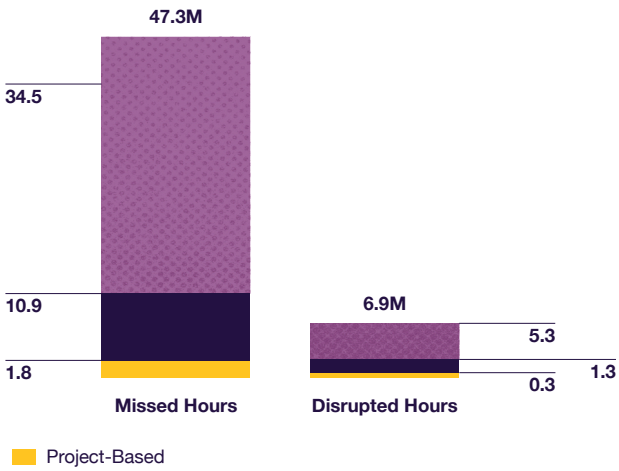


Figure 5B: Missed and Disrupted Hours by Parents' Pay Structure



Note: Data reflect citywide estimates of work disruptions based on responses of survey respondents who are working and reported missing full or partial days of work in the last three months due to disruptions in child care. Missed days are defined as a full, 8-hour workday missed due to child care, while disrupted days are defined as a 1-hour interruption over the course of a work day.

Scaled across New York City, these disruptions add up to an estimated roughly 54 million hours of missed or disrupted work each year, showing up as late arrivals, early departures, and last-minute schedule changes that can leave employers understaffed and short on productivity. New Yorkers paid on an hourly basis alone account for up to an estimated 10.9 million missed hours of work or roughly $360 million in immediate lost earnings.

Employers we spoke with across industries, occupation types, and sectors consistently raised the mental and emotional toll that child care pressures take on working parents, who carry a second, often invisible job alongside their first. Even when these pressures don't show up as missed hours or schedule disruptions, employers described employees who are stretched thin and stressed with managing child care on top of their full workload.

Backup Care as a Lifeline

"Marcus," a manager at an e-commerce company that offers flexible, work-from-home options, described how even remote work isn't enough to absorb a child care breakdown — someone still has to watch the child while the workday goes on. Before investing in a backup care program, employees leaned on sick days and PTO just to get through a bad week.

"We used to lose a lot of days: people call in sick or use PTO when kids needed care. Now with a backup care program, we've saved 2,400 work days in 2025." Saved sick or vacation leave can, in turn, be freed up for working parents to use for those purposes rather than covering unexpected care gaps.

The Mental Health Toll Employers Don't Expect

Across industries, employers pointed to child care as one of the biggest drivers of stress and burnout among their workforce, even when it never showed up as a missed shift. One restaurant employer described watching it wear down even their most skilled staff: "I saw chefs struggle, go through sleepless nights, and be a 50% version of themselves."

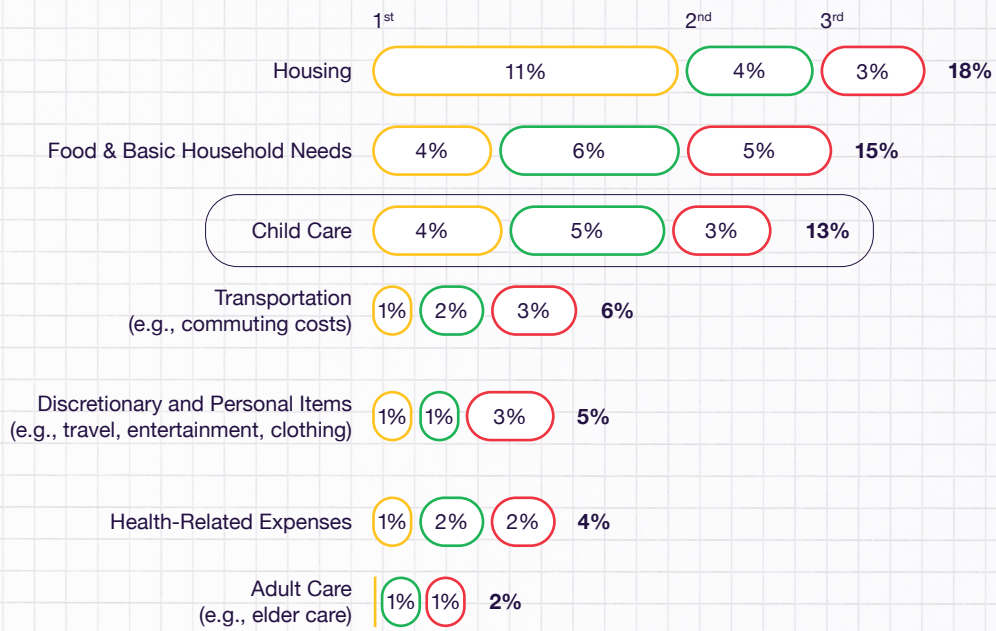
Several traced the burnout back to a single root cause: financial pressure. "The single largest source of burnout is financial insecurity," one health care employer noted, and another employer in the e-commerce space said, "it would be huge if child care were free. People wouldn't have to stress about it."

4.3 Leaving NYC

For some households, the cost of child care may eventually become a reason to leave the city altogether. Among 60% of about 100 surveyed families with children under five who have already left New York City and cited the overall "cost of living" as an influencing factor, 84% listed child care among their top three specific costs.

Current NYC families in our sample are considering leaving New York City. Among surveyed families with children under five still living in the city, 13% say they have seriously considered leaving because of child care costs, representing households that together earn an estimated $5.4 billion a year.

Figure 6: Top Three Cost Drivers Cited by Parents Who are Considering Leaving NYC Due to Cost of Living



Note: Data reflect responses of respondents who have considered moving out of NYC in the last three years and ranked cost of living and affordability reasons among the top reasons why. Respondents could rank up to three specific cost drivers.

CASE STUDY

Considering Leaving NYC as Savings Run Out

"Gina" told us that her household pulls money from savings every month to keep paying for child care.

"We are taking money out of our savings account every month in order to afford the child care coverage needed," she said.

"We have calculated how long we can do this before we run out of money." The household is now weighing whether she can get their child into 3-K before the savings run out — and if not, whether they need to leave New York City altogether.



5

The Economic Value of Free Child Care

Based on our survey of current NYC families, expanded access to free child care would impact how and when they use child care, their finances, and their choices around work. This in turn boosts NYC businesses and the economy.



5.1 Child Care Uptake

We surveyed families on what they would do at each of three child care scenarios — 20, 35, and 50 hours a week — to estimate these impacts.

When asked about their preference, nearly all families said they would opt in to free child care at any of the three scenarios (for 94% of children across families). When asked to choose one scenario, most families (60%), preferred 35 hours compared to just 16% who chose the full 50 hours. When asked which setting they would accept free child care in if it were offered to them, most parents (74%) said a center or school-based setting, compared to 48% for a home-based setting and 19% for a family, friend, or neighbor.[6]

Families' preference for 35 hours, combined with the fact that surveyed households are currently averaging 27 hours of child care a week suggests that child care is already a core part of many families' daily lives, and one many would lean on even more if cost weren't a barrier. The economic analysis that follows anchors on the 35-hour scenario as it was the most common preference among surveyed households. Figures for the 20 and 50 hour



[6] Percentages do not add to 100% as this was a multiple-choice question. Analysis is based on responses for the first child named in each household.

5.2 Household Child Care Cost Savings

The most immediate benefit of expanded access to free child care could be felt directly by families in their household finances: money a household stops spending on child care could become money families can save or spend on other needs instead. With 35 hours of free child care a week, New York City households are estimated to save $4.6 billion a year in child care costs. Nearly three-quarters of these estimated household savings could accrue to households earning $100,000 or more, in part because lower-income households are more likely to already receive some amount of subsidized child care.

When asked what areas they would direct their child care savings to, 82% of households pointed to basic household needs (housing, food, transportation, and health care), and 56% pointed to longer-term savings. Additionally, nearly one in four (23%) would have discretionary income to spend — on travel and other personal items that direct money back into the economy.

Figure 7: How Parents Would Use Their Child Care Savings



Note: Data reflect the share of respondents who would anticipate spending any savings from accessing free child care on each given category. Respondents were able to select multiple response categories, so answers are not mutually exclusive and therefore do not total 100.

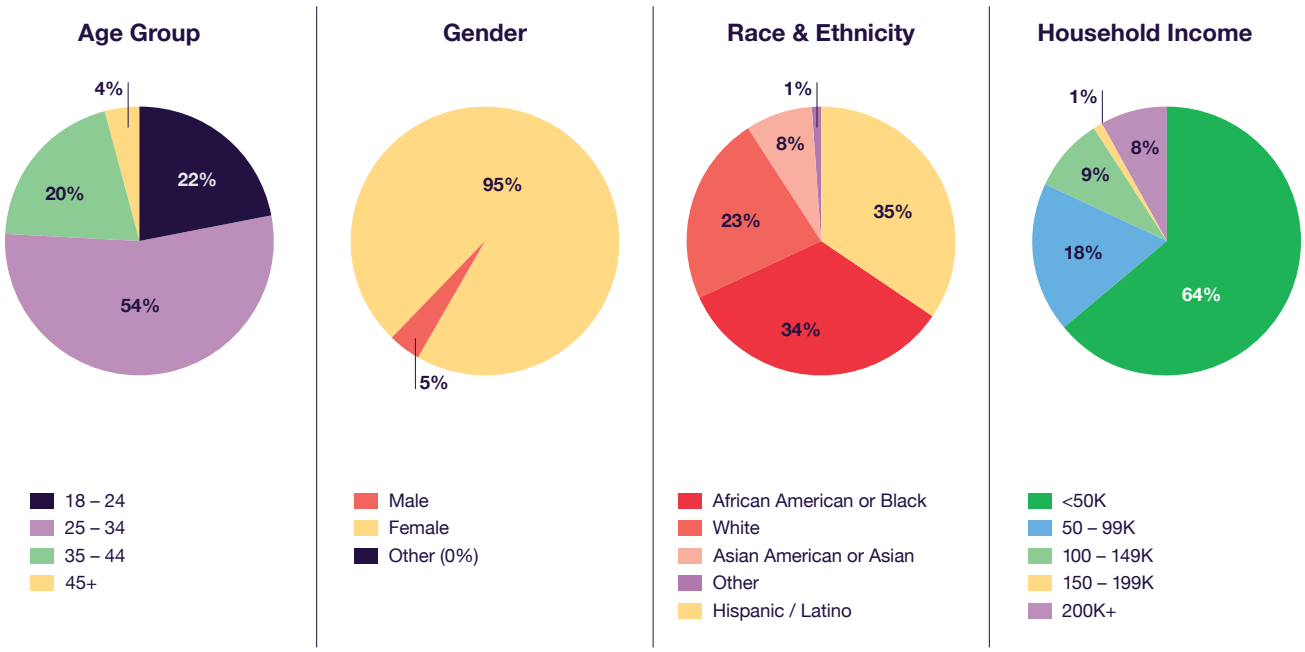
5.3 Household Economic Mobility

Expanded access to free child care could lead many parents to invest in themselves, whether by changing how they work or by pursuing education and training. Among those who are employed, 29% of parents said that receiving 35 hours of free child care a week would lead them to change their work situation. Of those, roughly half would keep their job but experience fewer disruptions, while about 40% would change their hours at their current job, with most of them (78%) increasing their work hours. In general, 71% of parents who reported their work would change with expanded access to free child care anticipated that their income would increase from that change.

Additionally, 22% of parents who were currently unemployed said they would return to work.[7] Scaled up to NYC population levels, this means an estimated 29,600 parents would be expected to rejoin the city's labor force. These survey respondents are heavily indexed toward women (95%), households earning under $50,000 (64%), and Hispanic and Black parents (69%), similar to the population that left work in the first place.

Beyond direct employment impact, many parents say they would invest their additional hours to build toward

Figure 8: Demographic Characteristics of Parents Who Would Return to Work Given Free Child Care



Note: Data reflect demographic characteristics of primary respondents who are not working but would anticipate returning to work with access to free child care.

Child Care Allows for More Work after Downshifting



"Alexa" was a science teacher before having two children, when the hours, the commute, and the physical demands of a classroom stopped fitting her life. She moved into a part-time, largely remote role at a community organization instead, work that pays about the same as part-time teaching would have but with more flexible hours.

higher earning capacity. Of those who are not currently working, one in four (25%) said they would use that time to pursue education or training, as did 22% of parents who are employed.

The majority of these parents not working who would focus on education or training, based on primary survey respondents, are also women (84%). Fifty-six percent of these parents have an annual household income of less than $50,000.

Figure 9: Where Non-Working Parents Would Focus Their Time with 35 Hours of Free Care



Note: Figure excludes respondents who selected "Spend More Time on Family, Myself, and My Home Responsibilities", "Volunteer", and "No Change".

[7] Figure 9 shows 26% would change their work situation, of those 85% would return to work (26%*85% = 22%).

5.4 Impacts to Employers and the Business Community

New York City's employers could generate an estimated $2.7–3.5 billion in economic value from parents returning to work, increasing their work hours, or starting higher paying jobs with an offer of 35 hours of free child care. Parents who said they would return to work could be returning to employers in some of NYC's fastest-growing industries, including health care & social assistance (5,100 estimated parents), accommodation & food services (4,000), other industries (3,300), and education (3,000). These four industries alone account for 43% of the total NYC working population (39%, excluding other industries), and 35% of all NYC employers (22%, excluding other industries).

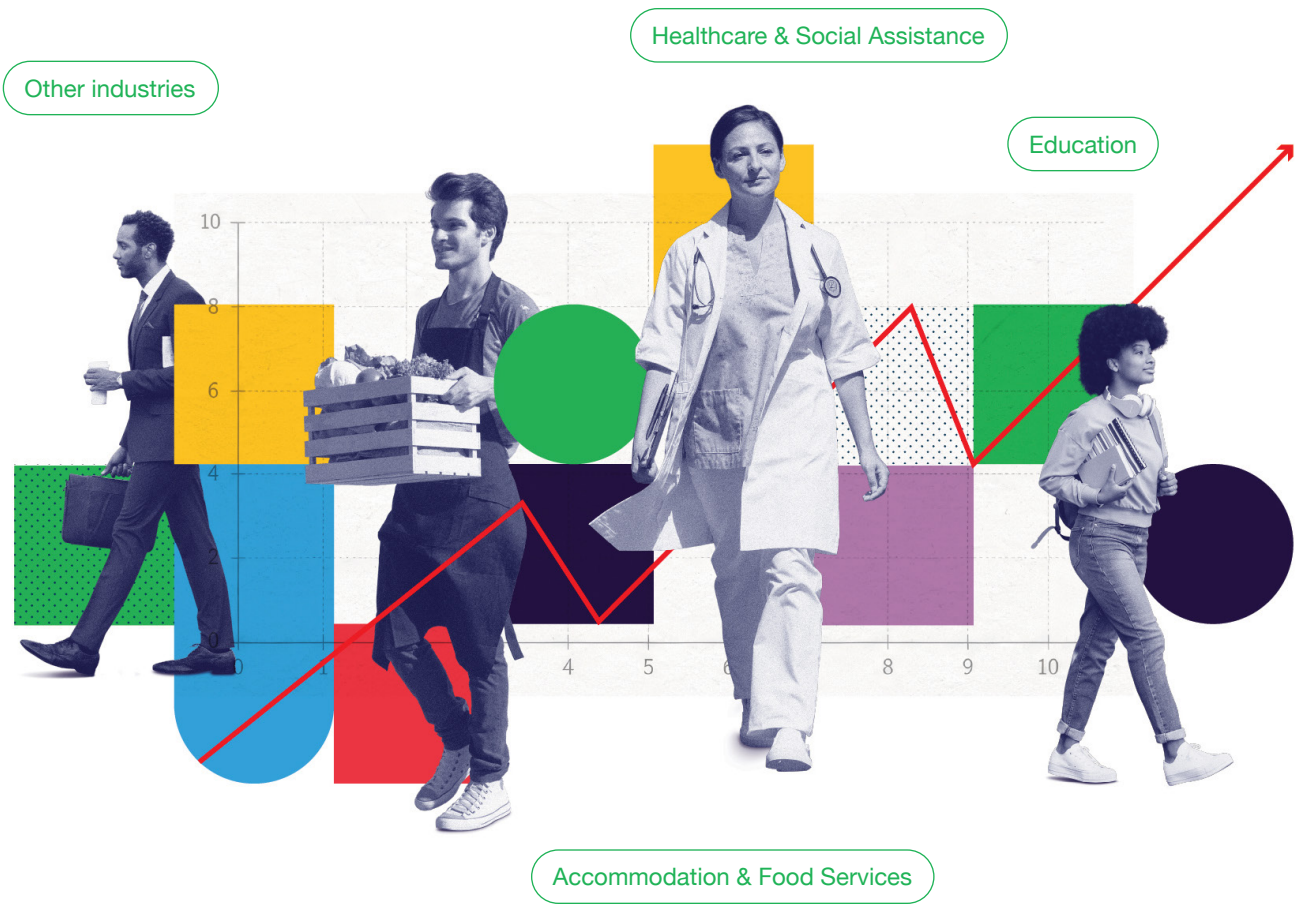


Figure 10: Estimated NYC Workforce Growth with Expanded Access to Free Child Care, by Industry

Industry	Share of All NYC Employers 2024	Share of All NYC Workers 2024	Annual Employment Growth Rate (2022–'32)	Estimated Parents Returning to Work with Free Child Care	Share of Estimated Parents Returning to Work
Health Care & Social Assistance	10%	23%	2.5%	5,093	17%
Arts, Entertainment & Recreation	3%	2%	2.1%	1,443	5%
Accommodation & Food Services	10%	8%	1.9%	4,016	14%
Other Industries[8]	13%	4%	1.8%	3,261	11%
Education	2%	8%	1.7%	3,012	10%
Public Administration	1%	5%	1.7%	1,287	4%
Admin., Support & Waste	5%	5%	1.0%	1,968	7%
Professional Services, Management, Information	23%	24%	0.5%	3,026	10%
Transportation & Warehousing	2%	4%	0.3%	1,240	4%
Construction, Manufacturing, & Utilities	16%	8%	-0.2%	1,470	5%
Retail	16%	9%	-0.6%	3,793	13%

Note: Figures reflect citywide estimates of increased employment by industry based respondents who would return to work in each given industry with free child care at 35 hours per week. NYC employment data comes from other sources (U.S. Bureau of Labor Statistics 2026; New York State Department of Labor 2026).

[8] "Other industries" refers to those classified under NAICS code 81, which covers a broad mix of service industries not classified elsewhere, including repair and maintenance services (automotive, electronics, machinery); personal care services (salons, spas); religious, civic, grantmaking, and advocacy organizations; dry cleaning/laundry services; death care services (funeral homes, cemeteries); pet care; and private household employment.

5.5 Economic Value of Free Child Care to NYC

Based on this analysis, the economic value of expanded access to free child care in NYC could match or exceed its costs. Providing 35 hours of free child care per week could generate an estimated $5.1-6.5 billion in annual economic value for New York City, driven by employment stimulation and induced household spending.

The economic value comes from two channels:

01

Employment stimulation: parents add direct value to the economy by returning to work, increasing their hours, or changing jobs. The industries they stimulate in turn draw more from their suppliers, and it is spent again as wages move through the local economy. We estimate that wages could increase by $1.6 billion from those returning to work or increasing their hours, and that in turn could add $2.7– 4.1 billion of economic value.

02

Household spending: Money that families save on child care is redirected to housing, food, transportation, savings, and other needs. We estimate $4.6 billion of savings for families could translate into $2.4 billion estimated economic value for the economy.

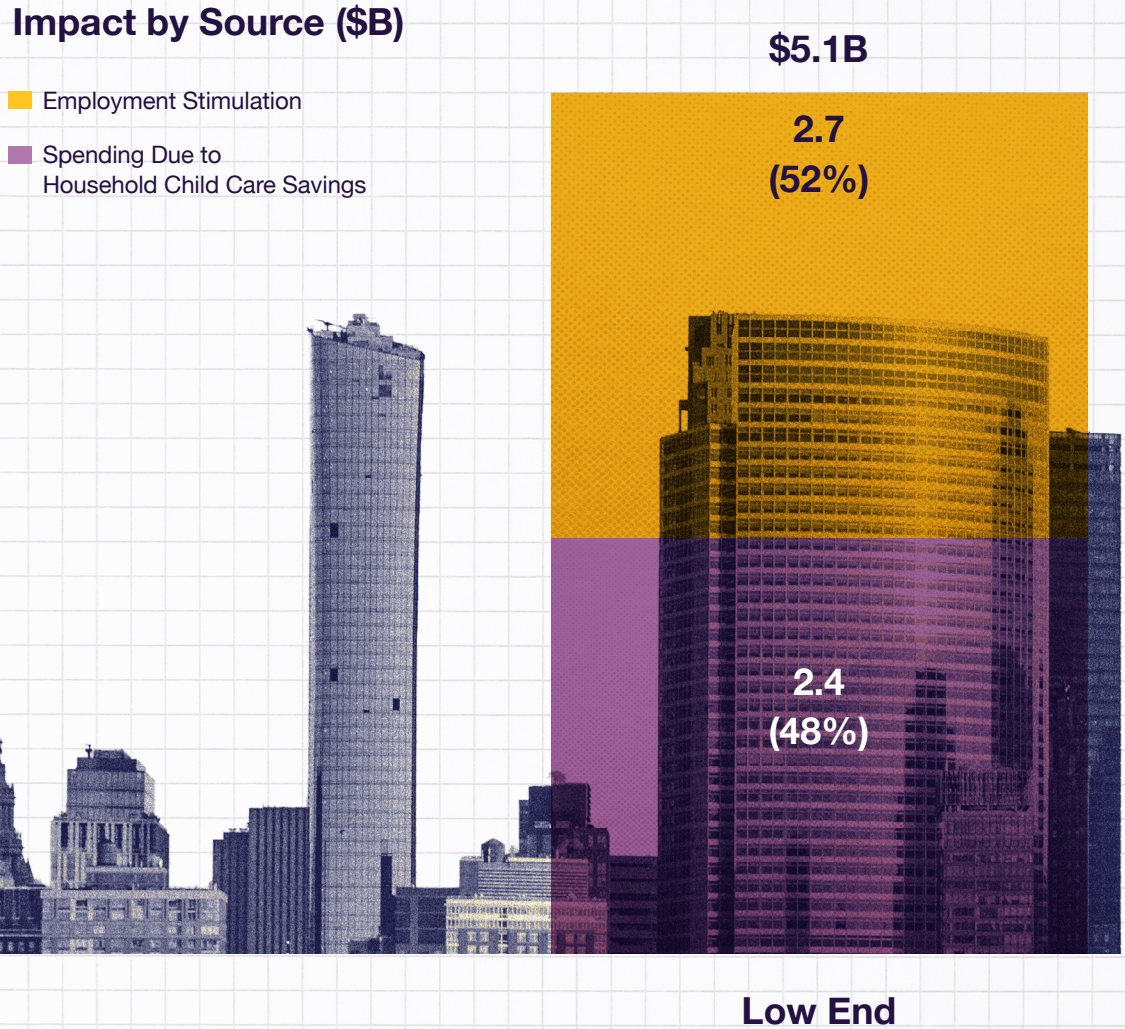
Based on these estimates, the economic value created from expanded access to free child care is estimated to match or exceed its cost to provide. The estimated cost of providing 35 hours of free child care is approximately $4.8–5.9 billion annually, incremental to existing costs for free and subsidized child care. This cost is estimated based on an hourly rate per child of $9 to $19[9], drawn from inflation-adjusted, third-party cost-modeling studies that assume licensing standards are met and child care educators and staff are paid living wages (Workman and Capito 2023).[10]

The ultimate economic value will depend on a number of factors beyond what is quantified in this analysis. The focus of this analysis is the assessment of how caregiver behavior would change in free child care scenarios and the estimated economic value resulting from those changes. This analysis does not quantify a number of economic value drivers, including the impact of retaining and attracting families to NYC, reducing workplace turnover, reducing needs for social services, or positive externalities such as higher workforce and educational attainment for parents and children (see section 6). This analysis also does not include sources of funding, e.g., how costs could be distributed among taxpayers, employers, or families. This cost could result in a decrease in economic value, and the degree of that offset would depend on funding mechanisms selected (e.g., reallocation of funds, increased taxation, philanthropic funding).

[9] ~$15-$19 per hour for infants, $11-$14 per hour for toddlers, $9-$11 per hour for 3-year-olds, and $9-$10 per hour for 4-year-olds.

[10] Living wage assumptions for this report were ultimately mapped to a 2023 cost model for New York State, developed by Prenatal to Five Fiscal Strategies. We consulted several additional sources from the field in the process of developing a cost estimate. Please refer to the following studies in the references section for more information (New York State Comptroller 2026; NYC Mayor's Office 2026; Center for New York City Affairs 2025; New Yorkers United for Child Care 2024; New York State Office of Children and Family Services 2024; Citizens' Committee for Children 2023).

Figure 11: Economic Impact by Source ($B)



Note: Data reflect estimates of the economic impact of providing free child care at the equivalent of 35 hours per week, at no cost to families.

Figure 11: Economic Impact by Source ($B)



The Full Economic Potential of Free Child Care

The full economic value of expanded access to free child care in New York City may extend beyond the effects modeled here. Our analysis captures expected near-term changes in employment, earnings, household spending, and related economic activity, but it does not estimate several potential longer-term effects that may merit further study. These include retaining families who might otherwise leave NYC, attracting families to the city, longer-term gains to earnings and retirement savings, reducing workplace turnover, reducing social services spending, and long-term social, educational, and economic benefits to children served.

Based on the primary respondents to this survey, the parents most likely to return to work with free child care come disproportionately from lower-income households, many of whom currently utilize or are eligible for public assistance. Prior research suggests that reducing child care costs can increase employment among low-income mothers and may also reduce reliance on other forms of public assistance over time. One study found that higher child care costs were associated with lower employment and greater receipt of TANF (Temporary Assistance for Needy Families) among single mothers with young children (Connelly and Kimmel 2003). Later U.S. studies reinforce the employment finding: child care subsidy receipt has been linked to higher employment among single mothers (Tekin 2005; Ahn 2012) while longer child care subsidy receipt has been associated with higher earnings and stronger labor-force attachment (Ha and Miller 2015). An Urban Institute analysis of federal child care spending similarly found that employment among low-income mothers increased when states directed larger shares of federal child care funds toward subsidized child care (Burgess, Chien, and Enchautegui 2016).

More recent evidence suggests that the impact of child care may continue well beyond the years in which a child is in care. In Quebec, mothers remained more attached to the labor force after their children aged out of the universal child care program, and their earnings gains increased over time through greater work intensity, higher wages, and occupational advancement. Those gains also translated into higher tax payments and lower receipt of social-program benefits (Baker, Gruber, and Milligan 2026). Preventing workforce exits and disruptions related to child care can help parents of young children avoid compounding losses. Career interruptions cost parents, especially mothers, not only immediate wages but also wage growth and retirement savings, which can amount to approximately 28% lower lifetime earnings and 16% fewer Social Security benefits received (Rutledge, Zulkarnain, and King 2017). By enabling parents to remain continuously employed, access to reliable child care could therefore help contribute to greater economic security later in life.

There are other ways in which the impact could accumulate, both in terms of monetary and time savings. Households that spend less on child care may be able to save or invest more over time, while affordable care may make it easier for families to remain in New York City, strengthening the city's ability to retain and attract working-age talent. Parents of young children, as reflected in our survey, may use the time made available by child care to pursue education or training, improving their future earning potential. Employers could also benefit from stronger retention, job satisfaction, and workforce stability.

The effects extend to children and society as well. Greater access to high-quality early childhood education and care can support children's educational outcomes and, over the longer term, their own economic prospects. One longitudinal study found that every dollar invested in a high-quality early childhood education program for children in lower-income households generated a benefit of 7.3 dollars (approximately a 13% annual return on investment) and improved long-term life outcomes for children who participated in the program (García et al. 2016).

7 Appendix

7.1 Survey and Analysis

This report draws on the NYC Child Care Survey, fielded over several weeks in June and July of 2026 in English and Spanish, which produced 2,716 completed responses from parents and families of children under five across the five boroughs, including 100 households that had left New York City within the previous three years. About 2,500 responses came through nine survey panel vendors, with the remaining 200 or so gathered through outreach conducted with over ten community organizations. Roughly 15% of total responses were removed during quality control for signs of bot-like behavior or internal inconsistency to arrive at 2,716 completes.

Each response, representing a single household, was weighted to reflect New York City's population across seven dimensions: race and ethnicity, sex of the primary respondent, household income, borough, age of child, number of children, and number of adults in the household, benchmarked against 2024 American Community Survey estimates. Citywide totals were scaled from that weighted sample using population counts for children, parents, and households. Industry growth projections come from New York State Department of Labor long-term estimates through 2032.

The economic modeling relies on IMPLAN's (IMpact analysis for PLANning) software input-output framework for New York City. Estimating, measuring and attributing the economic impact to specific actions is an imperfect science. Given that, we have used a range of multipliers (1.7 - 2.6x) to estimate economic value from increased employment stimulation for our 35-hour scenario. Additional scenarios of hours of care can be found in section 7.3.

The case studies in this report are drawn from focus groups conducted alongside the survey in June and July of 2026. Participants have been anonymized for the purpose of this report.

7.2 Additional Accounts from our Focus Groups

The accounts below were drawn from the same family and employer focus groups described in the main report but were not included in the body. They are provided here as further illustration of the patterns described in the survey findings.

Going Remote to Cover a Week Without Care

"Stacy" and her husband both work full time, with no family in the city to fall back on. Their baby is covered by a nanny share, about 40 hours a week. Then the nanny was out sick for a full week, and her husband had a crisis at work. The two of them handed the baby back and forth to stay afloat, and she had to explain to her manager why she was suddenly remote for days at a time. She calls it 'survival mode.'

Putting a Degree on Pause

"Rose" is raising one-year-old twins alone in the Bronx. She was in college full time when she found out she was pregnant, and had to stop schooling. For a stretch afterward, work wasn't possible. Her boys are finally settled at a daycare across the street. If child care were free, the first thing Rose would do is go back to school. She wants to work, but resuming her schooling is the thing she's passionate about, and free care would let her chase it worry-free, knowing the boys have what they need.

A Career Put on Hold

"Rachel" has a master's degree and works in education in Brooklyn. She did not qualify for a subsidy and could not afford center-based care, so she built a patchwork around her own schedule: a parent two days a week, her child's other parent rotating in, and paid time off whenever care fell through. Her career took a hit as a result. No overtime, no weekend coverage, no promotion. With child care, she said she would have taken on the work she had been turning down instead.

Weighing Whether to Stay in the Country

"Thomas" and his husband have a three-month-old and are planning a second child. They keep returning to the same conversation: stay in New York, or move to his home country, where child care costs a fraction of what it does here. Community is what has kept them here so far. The cost of a second child is what is pulling them toward leaving.

Burning Paid Time Off to Cover the Gaps

"Olivia" is an educator in Brooklyn with a two-year-old, working a hybrid schedule. Her mother and her child's father rotate coverage on office days, but the arrangement is fragile. When it falls through, she uses paid time off. "Taking off is not the best option," she said, "but it is the only option."

Wanting to Swap Roles

"Emma" works full time and is her household's primary earner; her spouse works part time and covers most of the week's care. Both would rather switch. The income gap made the decision for them. With child care, she said she would look for more flexible work so she could stop losing her weekends to catching up.

7.3 How the Three Scenarios Compare

The figures throughout the main report assume that households will take up the full number of hours offered at each level.

	20 Hours	35 Hours	50 Hours
What the Level Covers[11]	Half Day	School Day	Full Day
Parents Changing Work Situation	37%	39%	43%
Parents Pursuing Education or Training	27%	31%	33%
Estimated Parents Returning to Work	22,900	29,600	33,400
Estimated Parents' Income Gains	$1.1B	$1.6B	$2.4B
Estimated Household Savings on Care	$2.8B	$4.6B	$6.3B
Estimated Annual Cost[12]	$2.5B – $4.3B	$4.8 – $5.9B	$7.5B
Estimated Total Annual Economic Value	**$3.3 – 4.3B**	**$5.1 – 6.5B**	**$7.3 – 9.3B**

[11] This is illustrative of what hours would cover; however, respondents may need care outside these more traditional hours (e.g., nights, weekends) and were not limited to half day, school day, or full day scenarios.

[12] The 20- and 35-hour cost ranges start from the 50-hour estimate, which is based on inflation-adjusted, third-party cost-modeling studies assuming living wages (note 10). The low end prorates that cost linearly by hours; the high end reflects higher hourly costs for shorter schedules, based on OCFS reimbursement rates, where part-day care is priced at about two-thirds of full-day care.

7.4 Survey and Focus Group Methodology

The NYC Child Care Survey was fielded over several weeks in June and July of 2026. Alongside it, we conducted six family focus group sessions with 33 total parents and families, sourced from survey respondents who opted in to be contacted, each lasting 60 minutes. Households were asked how their work situation changed when they became a caregiver, what their current care arrangement looks like and what is and is not working, how child care has shaped major decisions for their household, and what they would do differently if free child care were available tomorrow, for themselves and a secondary caregiver, if applicable.

We also conducted 11 employer sessions with 18 total employers, sourced through 5BORO's NYC Child Care Business Council and partner organizations, held as 60-minute focus groups or 45-minute one-on-one interviews. Employers were asked how their company has benefited from employees having affordable child care, how a lack of it has affected their business, what would change if free child care were accessible for all their employees, and what is and is not unique about their business when it comes to child care. All participants were told their comments would not be attributed to them by name.

7.5 Limitations to this Report

This analysis has several limitations worth noting. While survey responses were weighted to reflect New York City's population across key demographic dimensions (race and ethnicity, sex of the primary respondent, household income, borough, age of child, number of children, and number of adults in the household, benchmarked against 2024 American Community Survey estimates), the weighted results remain an approximation of the true population and are not fully representative. For example, given that the surveyed households in our sample skewed toward higher income bands, and the observed employment impacts were more pronounced for lower-income parents, there is a possibility that the estimated economic value of stimulated employment could be greater than the current estimate. The economic projections are also based on parents' self-reported intentions, or how they say they would change their work, spending, and use of child care if it were free, rather than on observed behavior; actual outcomes could differ once they meet real-world constraints such as employer flexibility and job availability.

Similarly, the cost estimates presented are, for ease of analysis, based on the cost of center-based care, rather than a mix of child care types, and should only be considered in the context of this study for the purpose of comparison to the economic output. The primary objective of this study was to understand the individual-level and broader economic impacts of expanding access to free child care, grounded in survey participants' responses, rather than what it would cost to scale specific program models. The actual cost of expanding access to free child care will depend on several factors, including what types of care are subsidized, what care families choose and how many families participate, and the levels at which subsidies are set.

Finally, how many families take up free child care will depend on the availability of care and the settings in which it is offered; limited supply in any given form of care could constrain uptake below what survey responses alone would suggest.

7.6 About the Authors

The 5BORO Institute at Citizens Union is an innovative think tank housed at Citizens Union dedicated to strengthening New York City through creative and actionable public policy solutions. By partnering with policymakers, the private sector, academia, and community leaders, 5BORO tackles the city's most complex challenges to ensure New York remains vibrant and resilient. Learn more at FiveBoro.nyc

8 References

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The Economic Value of Free Child Care in New York City

What child care costs New York City families and businesses, and an analysis of the economic value free child care could generate for them and the city's economy.