

Fixing the Childcare Affordability Crisis in Pennsylvania

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KEY POINTS

- Statewide numbers for 2024 show the average annual cost of center-based infant care in [Pennsylvania at \\$14,910](#), or 11.5 percent of the median married household income and 40 percent of the median household income for single-parent families. It is more expensive to send two children to daycare than one child to an in-state college.
- Affordability issues persist despite an increase of \$50 million in state taxpayer support since 2023.
- Pennsylvania is the third-worst state for childcare freedom, ranking 48th.
- Red tape drives up costs for parents, makes recruitment challenging for providers, and negatively impacts the quality of care for families, particularly low-income families.
- By streamlining excessive worker credentials, adequating child-to-staff ratios, and ending maximum group size limits, Pennsylvania can begin to lower the cost of operating high-quality childcare centers.

THE HIGH COST OF CHILDCARE

The ability to pay rising energy, housing, and grocery bills is a concern nationwide; yet parents' need for affordable childcare has been an escalating worry for [more than a decade](#). Between 2020 and 2024 alone, [childcare costs outpaced](#) the U.S. five-year inflation rate by 7 percent.¹

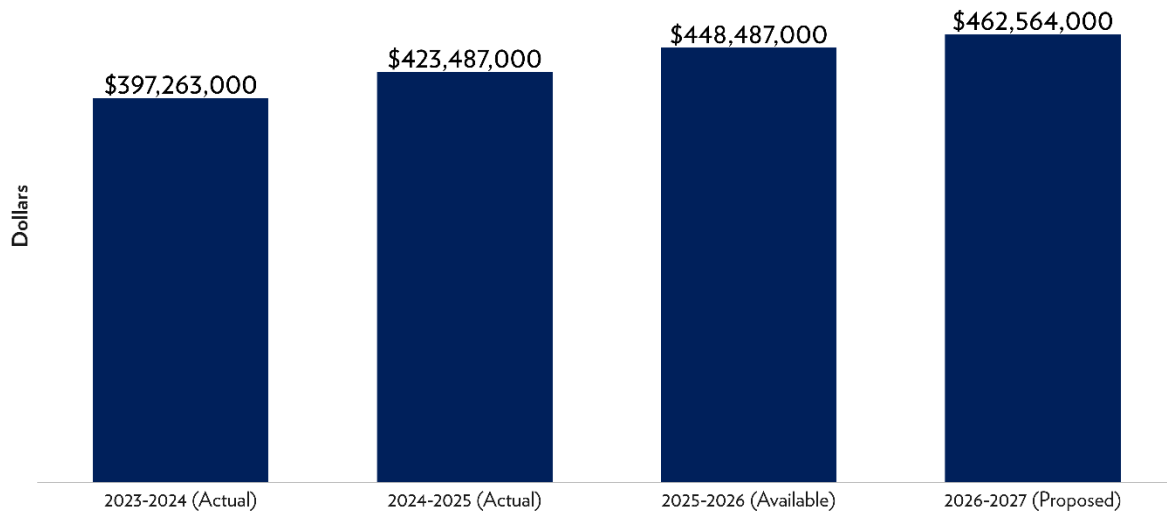
Families, year after year, must dedicate an ever-increasing percentage of their income towards childcare. The U.S. Department of Health and Human Services defines affordability as spending no more than 7 percent of total family income on childcare in a year.² In 2024, according to Child Care Aware of America's latest analysis, families across Pennsylvania paid on average \$14,910 for center-based infant care, 11.5 percent of the median married household income (\$129,691), and for single-parent families—a much higher burden—40 percent of the median income (\$37,131). The report, released in May 2025 by the national nonprofit, ranks Pennsylvania in the middle of the pack for the [least-affordable](#) center-based childcare in several age groups: 27th for infants, 22nd for toddlers, and 26th for four-year-olds. However, for school-age care, the state scores a concerning ninth most expensive.³

Moreover, in Pennsylvania, two kids in childcare, on average, costs more than one year of in-state college tuition.⁴ Families paying more for childcare than college signals that the current system is broken.

Meanwhile, state funding for childcare continues to climb, increasing more than \$50 million since 2023 alone. And, in his 2026–27 budget plan, Gov. Josh Shapiro proposes a **\$10 million** increase for childcare worker subsidies.⁵ Yet costs for parents only continue to rise.

Pennsylvania State Spending on Child Care Subsidies

State Budget Allocation By Year (2023 - 2026)



Source: Pennsylvania Office of the Budget, "2024-25 budget," "2026-27 proposed budget."
Note: Includes state funds, augmented monies, and additional increase recommended by Gov. Shapiro

THE PRICE OF OVERREGULATION

Pennsylvania's childcare laws and regulations place a heavy financial burden upon childcare centers to meet numerous highly prescriptive standards, which, in turn, drive up the cost of care. The American Enterprise Institute [notes](#), "Existing research indicates childcare regulation is like other types of regulation ... its adverse consequences disproportionately affect low-income families."⁶

Pennsylvania's Ranking on Childcare Regulations

Pennsylvania is the third most regulated state for childcare, according to the 6 The commonwealth's childcare freedom score of 48, which equates 50 as "worst," places Pennsylvania behind only two states—Vermont and New York—imposing the most regulatory burdens.⁷ Improving the quality of childcare should drive added regulatory costs—instead, research by the [Mercatus Center](#) found regulations focus on what is visible, "easily observable measures ... that do not necessarily affect the quality of care but do increase the cost of care." For example, one of the study's key findings is that allowing an additional infant per staffer would reduce the "cost of care between 9 and 20 percent."⁸ By targeting the costly and overburdensome regulations that unnecessarily drive up the costs of care, lawmakers can make quality childcare more affordable throughout the commonwealth.

Regulations Ripe for Reform

Worker Credentials

One major challenge is the shrinking supply of daycare slots due to a shortage of childcare professionals. Nationally, despite the industry's expected job openings of about 160,200 jobs per year, projections by the U.S. Bureau of Labor Statistics (BLS) show a [3 percent decline](#) in childcare workers through to 2034.⁹ In Pennsylvania, there are an [estimated 3,000](#) open childcare worker positions.¹⁰

On the surface, the shortage of childcare workers is puzzling given the growth in similar fields (i.e., school aides, teachers, and service workers). However, a childcare professional is paid noticeably less while still required to complete post-secondary credentials and continuing education hours. BLS's nationwide numbers show childcare workers, on average, earn \$32,050 a year, while similar professions, like [teacher assistants](#) and [preschool teachers](#), earn \$35,240 and \$37,120, respectively.¹¹ In Pennsylvania, the median annual pay for childcare workers is [\\$28,330](#), with teacher assistants at [\\$30,550](#) and preschool teachers at [\\$34,250](#).¹²

In addition to a high school diploma, Pennsylvania childcare workers, in most cases, must have an associate's degree. Moreover, new childcare staff [have requirements](#) to complete a series of training sessions and at least 12 hours of professional development.¹³ Pennsylvania is one of just three states that require daycare teachers, or classroom supervisors to hold a degree.

Credentials for childcare directors are more rigorous. [Directors](#) must have, at minimum, a bachelor's degree in "early childhood education, child development, special education, elementary education, or ... human services" and a year of experience with children or a bachelor's with 30 credit hours in these fields plus two years of experience with children. And, for those holding an associate's degree, if it is in one of these fields, they must have three years of experience with children; if not, the 30-credit-hour rule applies alongside four years of experience with children.¹⁴ The Pennsylvania Code also requires 50 percent of [staff at childcare centers](#) to possess post-secondary education or years of experience with children.¹⁵ This staffing mandate further limits the ability of centers to employ aides, reducing flexibility in scheduling and recruitment.

Meanwhile, the Mercatus research shows requiring a high school diploma for lead teachers raises the cost of infant care between 25 and 46 percent and, for the care of four-year-olds, between 22 and 40 percent.¹⁶ Further, credentialing for staff can have the opposite effect on quality, pushing lower-income families to [family-care homes](#).¹⁷ Revisiting and streamlining credential requirements, focusing on practical classroom experience, could address the shortage of workers driving up costs for families.

Child-to-Staff Ratios

Another high-cost regulation with a potentially negative impact on quality is the state's mandated child-to-staff ratios. The high costs of smaller child-to-staff ratios are significant and, notes the American Enterprise Institute, "impose artificial limits" on available care. For infants, the strictest ratio among states is three infants to one provider (3:1). In those states, the cost of care is more than twice the cost of care in states that permit the maximum six infants per staffer (6:1).¹⁸ The Mercatus study quantifies increasing the child-to-staff ratio by one infant as a reduction in annual costs of \$850 to \$1,890 per child.¹⁹

Mercatus also found that smaller ratios do not have a significant impact on the quality of childcare.²⁰ And the American Enterprise Institute's findings show that in states mandating a 4:1 toddler-to-staff ratio, the cost of care is 2.5 times the cost of care in states where the mandated ratio is 12:1.²¹

In fact, the higher costs from restrictive ratios can negatively impact quality for low-income families. Since low-income families are more sensitive to price, they are more likely to choose lower-cost, lower-quality care options.²²

Pennsylvania’s regulations require early childhood learning centers to [maintain](#) between a 4:1 and 6:1 child-to-staff ratio, depending on the child’s age. Ratios gradually rise to 15:1 for school-age children.²³ Every state sets the maximum child-to-staff ratios, but Pennsylvania’s are among the most restrictive. On average, states require a 4:1 ratio for infants and a 7:1 ratio for older toddlers and 16 to 17 school agers per staff member.

Pennsylvania ranks 43rd most restrictive on child-to-staff ratios.²⁴ In most age categories, more than half of the states allow more children per staff member.²⁵

Pennsylvania Child to Staff Ratios

Pennsylvania’s mandated ratios are among the most restrictive in the country; 46 states allow more 6 to 7 year olds per staff member.

Age Levels	Staff	Children	States with Higher Ratios
Infant	1	4	15
Young Toddler	1	5	25
Older Toddler	1	6	36
Preschool	1	10	32
Young School Age	1	12	46
Older School Age	1	15	

Source: Pennsylvania Code and Archbridge Institute State Childcare Regulations Database

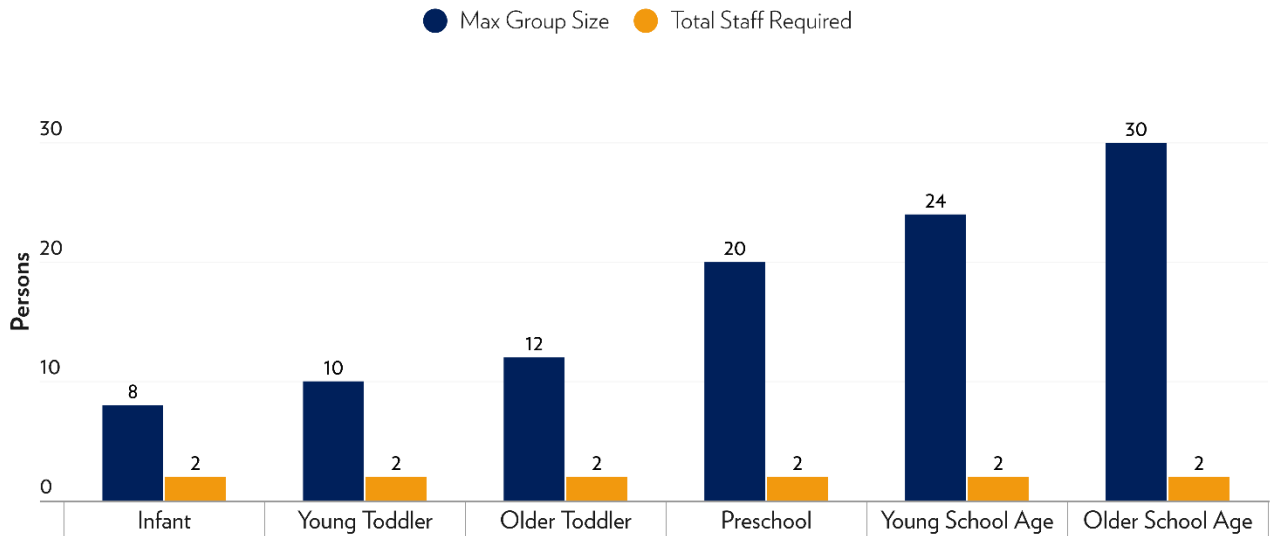
Note: The database does not include child to staff ratios for older school age children defined as a child in fourth grade.

Maximum Group Size

Pennsylvania’s limits on total group size are even more restrictive than ratios. Pennsylvania ranks 48th most restrictive for group size; only Vermont and Connecticut impose stricter group sizes. Six states impose no maximum group sizes, giving centers more flexibility to adjust to fluctuating attendance and staff levels.²⁶ Raising limits or eliminating maximum group sizes entirely can open additional childcare slots without raising costs for families. This reform addresses both the affordability and worker shortage issues.

Maximum Group Size Mandates

Pennsylvania imposes group size limits for all ages. Six states impose no limits.



Source: Pennsylvania Code

POLICY RECOMMENDATIONS FOR AFFORDABLE CHILDCARE

To solve Pennsylvania’s childcare affordability crisis, lawmakers should remove regulations that drive up the cost of care without impacting the quality of care.

1. *Remove post-secondary credentials for classroom teachers or group supervisors.* Pennsylvania is an outlier in requiring an associate’s degree for these positions. These credentials can be expensive and time-intensive. Ongoing continuing education requirements or experience requirements are a better approach toward growing the number of highly qualified childcare workers.
2. *Increase the current child-to-staff ratios by one child for older toddlers, four children for young school-agers, and two children for older school-agers.* To alleviate staffing challenges and rising financial burdens, Pennsylvania should adopt state averages on staff-to-child ratios and consider additional reductions. Centers should have discretion to set more stringent ratios.
3. *Eliminate maximum group sizes.* In line with six other states, Pennsylvania should remove maximum group size mandates that have little correlation with the quality of care.

CONCLUSION

There are many regulations not discussed in this analysis, such as regulations on food service, minimum outdoor and indoor space, parental communication mandates, [and much more](#).²⁷ This backgrounder focuses on regulations with the most bearing on cost.

By streamlining excessive worker credentials, adequating staff-to-child ratios, and ending maximum group sizes, Pennsylvania can lower the cost of operating high-quality childcare centers up to 20 percent per child. These changes would allow providers to allocate resources more efficiently and empower centers to better serve their communities. Pennsylvania would then be both competitive and affordable for high-quality

childcare services in the country. These reforms allow parents and families to benefit from an abundance of options, to find the services that best match both their cost and quality preferences, and to ease the stress on the household budget.

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- ¹ Women’s Bureau, “National Database of Childcare Prices,” U.S. Department of Labor, accessed January 2026, <https://www.dol.gov/agencies/wb/topics/featured-childcare>; Child Care Aware® of America, “Child Care in America: 2024 Price and Supply,” May 2025, <https://www.childcareaware.org/price-landscape24/>.
- ² U.S. Department of Health and Human Services, “Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF),” *Federal Register* 89, No. 42 (March 1, 2024): 15366–417, <https://www.federalregister.gov/documents/2024/03/01/2024-04139/improving-child-care-access-affordability-and-stability-in-the-child-care-and-development-fund-ccdf>. Of note, the percentage reflects family copayments for subsidized childcare.
- ³ Child Care Aware® of America, “Affordability Analysis (Table III, Table V, Table VII, and Table IX)” in “Child Care in America: 2024 Price and Supply,” May 2025, https://info.childcareaware.org/hubfs/Affordability_Analysis_Updated_2024.pdf.
- ⁴ Child Care Aware® of America, “Child Care in America: 2024 Price and Supply.”
- ⁵ Gov. Josh Shapiro, “2026–27 Governor’s Executive Budget,” Pennsylvania Office of the Budget, February 3, 2026, <https://www.pa.gov/agencies/budget/publications-and-reports/commonwealth-budget#accordion-8641fc0006-item-70db1b6eaf>.
- ⁶ Vanessa Brown Calder, “Childcare Regulation and Affordability,” American Enterprise Institute, October 21, 2025, <https://www.aei.org/research-products/report/childcare-regulation-and-affordability/#footnote-section>.
- ⁷ Anna Claire Flowers et al., “2026 State Childcare Regulations Index” (Archbridge Institute, February 3, 2026), 5, 44, <https://www.archbridgeinstitute.org/wp-content/uploads/2026/02/2026-State-Childcare-Regulations-Index.pdf>; https://csorwvu.com/wp-content/uploads/2024/10/Childcare-Regulation-Index_PDF.pdf.
- ⁸ Diana W. Thomas and Devon Gorry, “Regulation and the Cost of Child Care,” Mercatus Center, August 17, 2015, <https://www.mercatus.org/students/research/working-papers/regulation-and-cost-child-care>.
- ⁹ U.S. Bureau of Labor Statistics, “Occupational Outlook Handbook: Childcare Workers,” U.S. Department of Labor, August 28, 2025 [last modified], <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm>.
- ¹⁰ Pennsylvania Department of Human Services, “Shapiro Administration Highlights New 2025–26 Budget Investments to Expand and Support Pennsylvania’s Child Care Workforce,” news release, December 11, 2025, <https://www.pa.gov/agencies/dhs/newsroom/budget-investments-to-expand-and-support-pennsylvania-s-child-ca>.
- ¹¹ U.S. Bureau of Labor Statistics, “Occupational Outlook Handbook: Childcare Workers”; U.S. Bureau of Labor Statistics, “Occupational Outlook Handbook: Teacher Assistants,” U.S. Department of Labor, August 28, 2025 [last modified], <https://www.bls.gov/ooh/education-training-and-library/teacher-assistants.htm>; U.S. Bureau of Labor Statistics, “Occupational Outlook Handbook: Preschool Teachers,” U.S. Department of Labor, August 28, 2025 [last modified], <https://www.bls.gov/ooh/education-training-and-library/preschool-teachers.htm>.
- ¹² O*NET Online, “Pennsylvania Wages: Childcare Workers,” National Center for O*NET Development, U.S. Department of Labor, Employment and Training Administration, February 24, 2026 [site update], <https://www.onetonline.org/link/localwages/39-9011.00?st=PA>; O*NET Online, “Pennsylvania Wages: Teaching Assistants,” National Center for O*NET Development, U.S. Department of Labor, Employment and Training Administration, February 24, 2026 [site update], <https://www.onetonline.org/link/localwages/25-9042.00?st=PA>; O*NET Online, “Pennsylvania Wages: Preschool Teachers,” National Center for O*NET Development, U.S. Department of Labor, Employment and Training Administration, February 24, 2026 [site update], <https://www.onetonline.org/link/localwages/25-2011.00?st=PA>.
- ¹³ Shante’ A. Brown, “C-24-03: Updates to Health and Safety Pre-Service Training and Professional Development Requirements,” The Pennsylvania Key, December 20, 2024, <https://www.pakeys.org/c-24-03/>.
- ¹⁴ 55 Pa. Code § 3270.34.
- ¹⁵ 55 Pa. Code § 3270.33.
- ¹⁶ Thomas and Gorry, “Regulation and the Cost of Child Care.”
- ¹⁷ Thomas and Gorry, “Regulation and the Cost of Child Care”; Joseph V. Hotz and Mo Xiao, “The Impact of Regulations on the Supply and Quality of Care in Childcare Markets,” *American Economic Review* 101, No. 5 (August 2011): 1775–805. <https://www.aeaweb.org/articles?id=10.1257/aer.101.5.1775>.
- ¹⁸ Brown Calder, “Childcare Regulation and Affordability.”
- ¹⁹ Thomas and Gorry, “Regulation and the Cost of Child Care.”
- ²⁰ Thomas and Gorry, “Regulation and the Cost of Child Care.”
- ²¹ Brown Calder, “Childcare Regulation and Affordability.”
- ²² Randal Heeb and M. Rebecca Kilburn, “The Effects of State Regulations on Childcare Prices and Choices,” Working Paper No. WR-137-NICHD (RAND Corporation, December 21, 2004), 13–14, https://www.rand.org/pubs/working_papers/WR137.html.
- ²³ 55 Pa. Code § 3270.51.
- ²⁴ Flowers, et al., “2026 State Childcare Regulations Index.”
- ²⁵ Conor Norris et al., “State Childcare Regulations Database 2025,” Archbridge Institute, June 9, 2025, <https://www.archbridgeinstitute.org/state-childcare-regulations-database/>.
- ²⁶ Flowers et al., “2026 State Childcare Regulations Index,” 13, 44, 51.
- ²⁷ 55 Pa. Code § 3270.1 et seq.