

# POLICY RESPONSE BRIEF

## A Wake-up Call to Employers and Parents: Child Care is About to be More Expensive and Impossible to Find

*An overview of the recently released report: What Will Happen If  
Child Care Counts Stabilization Funding Ends? Implications for  
Wisconsin from the Institute for Research on Poverty and  
the Department of Children and Families*



**Center for Policy, Research  
and Engagement**

**W**e know public funding into the child care sector over the past five years has made a positive impact on [child care supply](#) and increasing [educator wages](#). The recently released report, *What Will Happen If Child Care Counts Stabilization Funding Ends? Implications for Wisconsin*, from University of Wisconsin-Madison's Institute for Research on Poverty paints a sobering picture of a sector on the brink - it echoes [national research](#) that shows a lapse of funding for the sector erodes many of the gains in affordability, access, and quality of child care. This report highlights the damage already caused by reductions in Child Care Counts (CCC) funding and payments and underscores what state leaders must be ready to face if the program ends in June 2025.

More than 3,600 licensed and certified child care providers (80% of all regulated care programs in Wisconsin) responded to questions about their programming at two key points in time:

- May 2023 (following a 50% reduction in CCC funding)
- Projecting ahead to August 2025 (to forecast the impact after last payment of CCC is made)

### **IMPACT OF 50% REDUCTION IN CHILD CARE COUNTS (MAY 2023)**

Data show 75% of providers said the reduction impacted their ability to pay themselves or their staff competitive wages. Additionally, 65% of group child care programs said it became more difficult to hire staff since the reduction of CCC payments, and 54% of providers said they had staff quit after the reduction in CCC, especially in rural communities.

Well more than half of the surveyed providers raised their rates after the reduction in CCC:

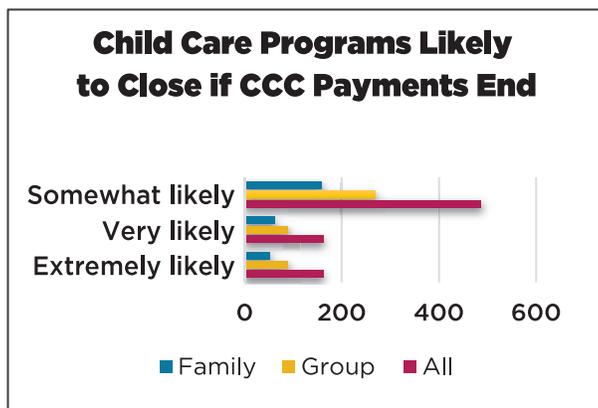
- 65% for infants and toddlers
- 64% for preschoolers
- 66% for school-aged children

Approximately 25% of all providers noted the reduction in Child Care Counts also impacted their ability to offer quality care, serve infants and toddlers, and provide care for children with special needs.

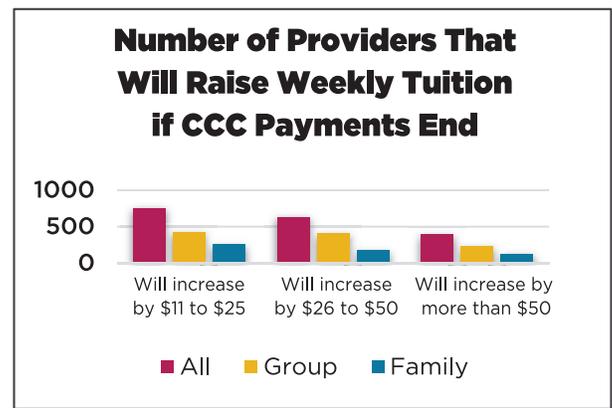
When we were operating with full funding from the Child Care Counts, we saw no issues in retaining staff, [and] we saw less burnout of our staff because we were able to provide additional benefits (retirement, PTO, sick time)... With the 50% cut in funding, we had to raise our tuition \$30 per week to cover a gap in income; we also had to reduce our hours...We can no longer afford to hire high-quality teachers and reduce burn out for teachers. We are seeing more turnover in teachers and more turnover in children, and behaviors due to lack of quality.

## PROJECTED IMPACT OF TERMINATION OF CHILD CARE COUNTS (JUNE 2025)

Data show 25% of child care providers said they are *somewhat*, *very* or *extremely likely* to close their business if CCC funding ends and a similar sized investment into child care does not occur, especially true for providers in rural areas. Similarly, 61% of providers noted the likelihood of reducing the hours of care they provided. The survey found 35% of providers said the loss of funding would cause them to reduce the number of children they serve, and 59% anticipated having longer waitlists. Additionally, roughly 77% of providers will increase their weekly tuition rates across all age groups served, and 17% are planning to increase tuition for infants and toddlers by more than \$50 per week, or \$200 per month.



**811 providers are considering or planning to close without CCC funding**



**1,789 providers plan to increase weekly tuition rates for all age groups**

Providers already struggle to attract and retain staff and will have a more difficult time keeping their programs staffed. Nearly two-thirds (66%) said they are at least *somewhat likely* to reduce the amount of compensation they offer, with more than half saying it's *very likely* they will have to lower compensation and benefits to staff. Most group providers (70%) anticipate losing additional staff, with a higher concentration in rural areas.

About half of providers said it is at least *somewhat likely* they will face greater challenges in delivering high-quality care under this scenario.

Many providers also anticipate increased difficulty serving specific groups of children:

- 41% more difficult to serve children needing care during non-standard hours
- 44% more difficult to serve children with special needs
- 35% more difficult to serve children receiving Wisconsin Shares
- 45% more difficult to serve infants and toddlers

Additionally, 47% of providers expect it will be at least somewhat harder to offer supplemental services like meals and transportation.

While responses were fairly consistent across region and provider type, group center directors/owners (as opposed to family providers) reported higher levels of impact across most categories, including staff loss, reduced capacity, and tuition increases. Providers in urban areas were more likely to report expected tuition hikes, while rural providers anticipated more closures and service limitations.

These findings offer a clear message: **The end of CCC funding, without a significant investment of state revenue into the child care sector, will have widespread, negative consequences** for child care providers, families, and Wisconsin's broader economy. There will be less care available (especially for vulnerable populations) and families will pay higher rates. Employers in key sectors, including manufacturing, health care, hospitality, and school districts, should all be monitoring the impact of these challenges as they will cause workforce instability and harmful economic ripple effects.

In my opinion, making Child Care Counts Stabilization funding permanent at its original level is truly the only way to keep our program open and serving our community. ... The parents are struggling to pay their weekly tuition bills, and we realize without the Child Care Counts program monies, we would be forced to once again hike our tuition rates. We believe this would ultimately close our facility, as families wouldn't be able to afford the increase, and without enrollment we can't sustain.

Additionally, we would be able to continue to offer our hours of operation that are functional for members of the community, such as healthcare and factory workers who work 10-12 hour shifts. [...] Childcare is a basic need, and the cost of gaining access to safe and educational environments should not be prohibited to keeping productive members out of our workforce.

**Reference:** H. Shager, Y. Drazee & Hostetter, L. (2025). What Will Happen If Child Care Counts Stabilization Funding Ends? Implications For Wisconsin. UW-Madison Institute for Research on Poverty.



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