



Georgetown University
McCourt School of Public Policy
CENTER FOR CHILDREN
AND FAMILIES



CLASP

The Center for Law and Social Policy

Medicaid is a Critical Support for Early Childhood Education Workforce



Medicaid is an important source of health coverage for the early childhood education professionals who support child development and care for children while parents work, and for the children and families these educators serve. At least **thirteen states** cover more than a third of the child care workforce through Medicaid, making the program an essential part of ensuring the health and well-being of child care professionals.¹ In turn, a healthy early childhood workforce can most effectively support the positive development of children in their earliest years. Threats to Medicaid coverage for early childhood educators would likely further deepen a child care crisis driven in large part by inadequate compensation for this critical workforce.

Medicaid Covers a Large Share of the Nation's Early Childhood Educators and Child Care Professionals, Whose Overall Compensation is Far Too Low

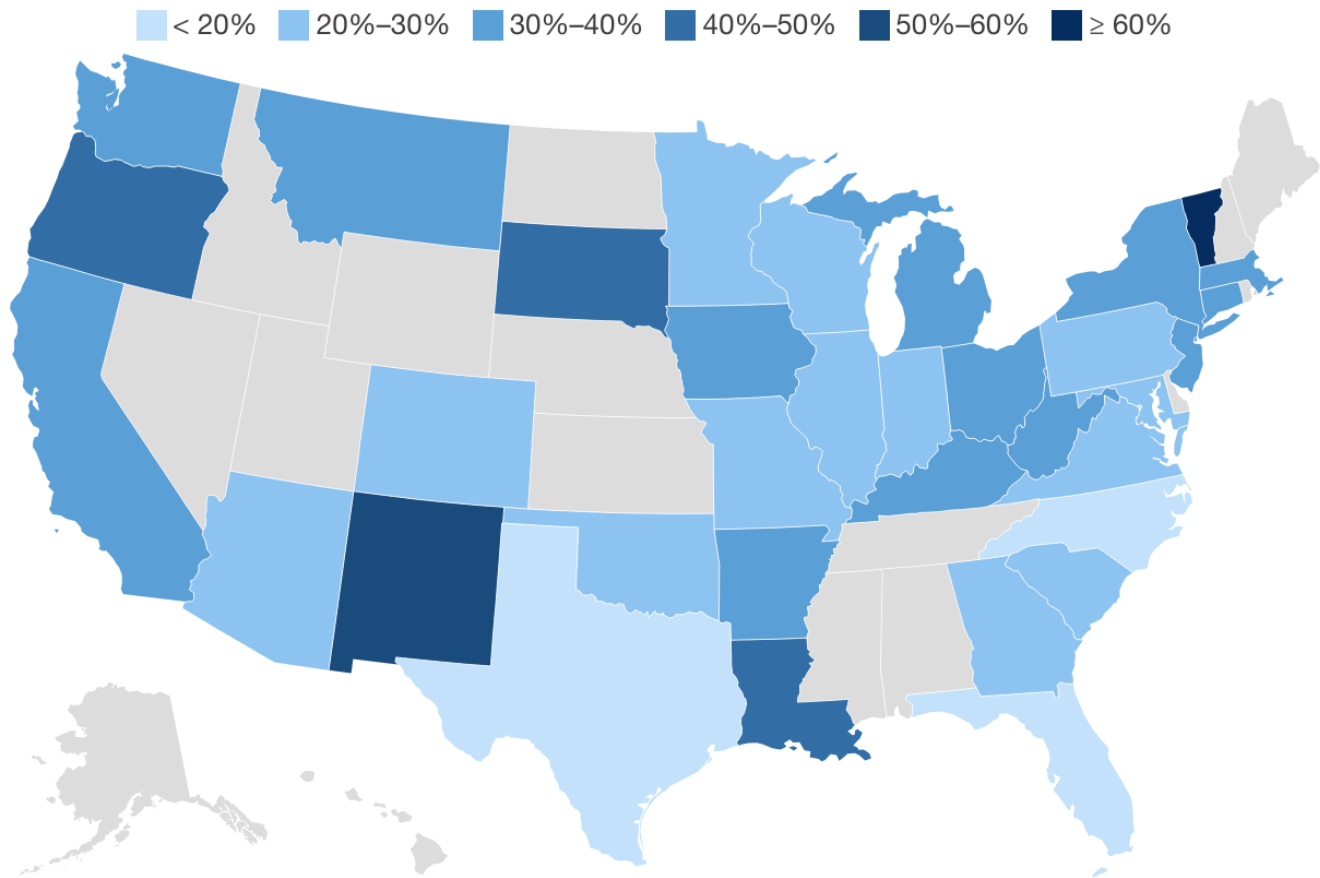
Most child care programs operate as small businesses and exist within a **broken market with historic under-investment**. For these small employers, offering health insurance to staff can be prohibitively expensive, leaving most child care workers without access to affordable employer-sponsored coverage. A lack of adequate public investment in child care, combined with the high cost of providing high quality care and education— still unaffordable for many families—means that many programs are forced to sacrifice educator wages and benefits in order to keep their doors open. More than half of U.S. workers across industries have access to employer-sponsored health insurance.² By comparison, fewer than 1 in 4 early childhood educators employed outside of public **schools can access employer-sponsored coverage**.³ This lack of affordable coverage options translates to a high uninsurance rate of 13.2 percent of child care workers nationally.⁴ Without Medicaid, this rate would be even higher.

Nearly 28 percent of child care workers are covered by Medicaid, with state shares ranging from 12.7 in Texas to 67.0 in Vermont.⁵ These coverage rates are reflective of the overall low levels of compensation available to early childhood educators. The median wage for early childhood educators is lower **than 97 percent** of all other occupations in the US.⁶ These wage gaps disproportionately impact Black and Latina women, who make up 40 percent of the workforce.⁷) As a result of these low wages, **43 percent of early educator families rely on one or more public safety nets** such as Medicaid or SNAP to make ends meet.⁸

Lack of access to adequate compensation, including both wages and benefits, is a leading driver of the child care supply challenges communities face across the country. Additional reductions in access to benefits could exacerbate child care access challenges. A **recent NAEYC survey** of more than 10,000 early childhood educators found that more than half of ECE programs cannot enroll their preferred number of children. Respondents pointed to, a lack of adequate compensation as a leading reason for limited capacity, because of an inability to recruit and

retain qualified staff.⁹ Nearly half of educators surveyed reported being more burned out than in the prior year, with 1 in 4 indicating they were considering leaving the field in the next year. In contrast, respondents who reported having access to professional benefits, including health insurance, were more likely to report an intention to remain in the child care field compared to respondents reporting inadequate benefits.¹⁰

Share of Child Care Workers Covered by Medicaid, 2023



Data include citizen, non-elderly adult (19–64) workers who identified as childcare workers according to ACS occupation codes. States without data suppressed due to poor reliability.

Source: Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS).

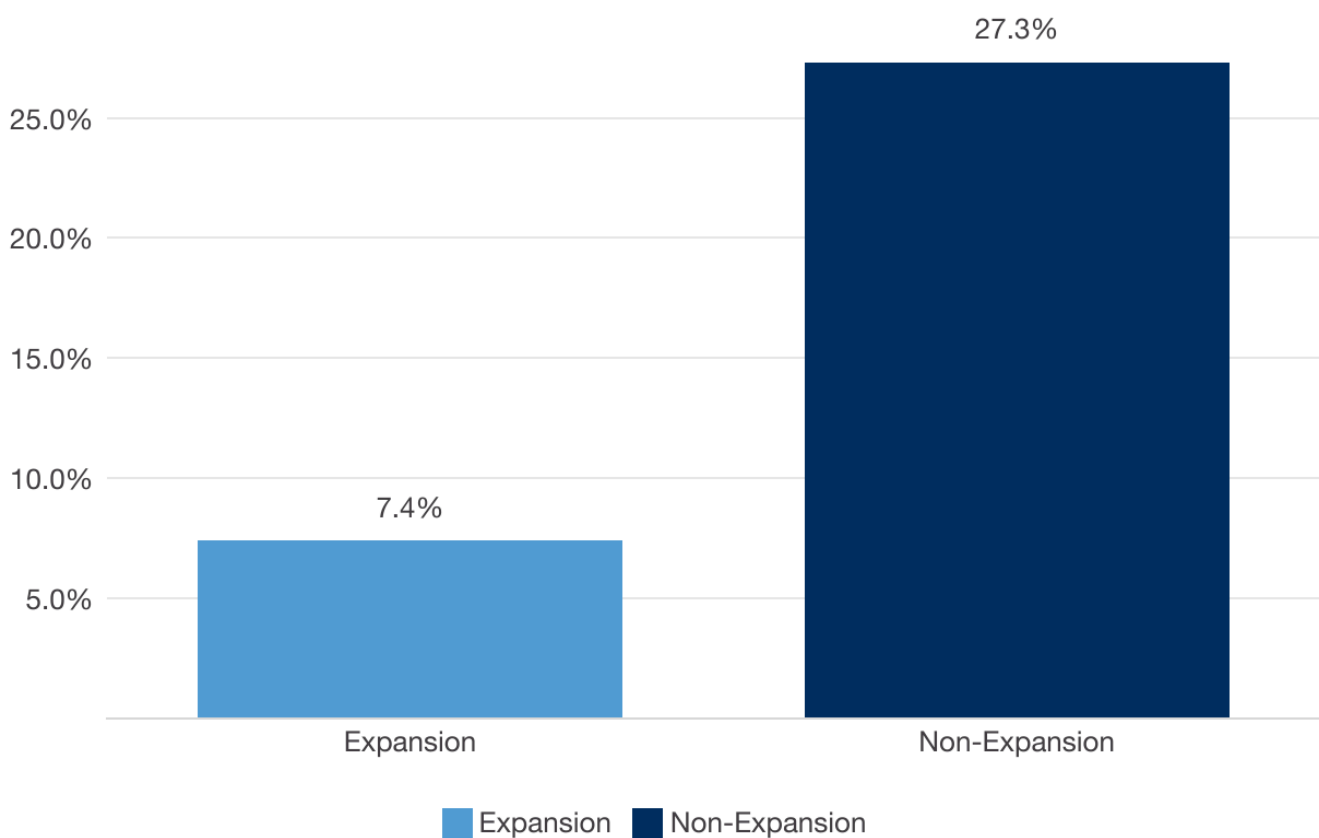


State Medicaid Expansions Have Boosted Coverage for the Child Care Workforce

In states that have not expanded Medicaid under the Affordable Care Act (ACA), many child care workers fall into what is known as the “**coverage gap**,” with incomes too low to qualify for

ACA marketplace assistance, but without access to Medicaid coverage.¹¹ In the **10 states that have not expanded Medicaid**, this coverage gap is the widest. Five percent of working adults in the coverage gap are employed as child care workers, home health aides, personal care aides, and nursing assistants.¹²¹³ In states that have not adopted Medicaid expansion, 27.3 percent of child care workers are uninsured—nearly four times higher than states with expansion.¹⁴

Uninsured Rate for Child Care Workers by State Medicaid Expansion Status



Uninsured Rate for Citizen Childcare Workers Under 138% FPL.

Source: Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS).



Medicaid Supports Healthy Early Childhood Development

Medicaid is a major coverage source for young children, covering 42 percent of children under 6 in 2023.¹⁵ Many **studies** have linked childhood Medicaid coverage to improved health, education and employment outcomes well into adulthood.¹⁶ But health coverage is also important for those who care for young children, since relationships and interactions with adults are a core component of strong early development. The first few years of a child's life are some of the most impactful in their brain and emotional development that supports lifelong health— this is **heavily influenced by their interactions with caregivers**, whether at home or in child care.¹⁷ Medicaid helps ensure more child care workers – many of whom spend the full day with young children while parents work – have health coverage and improved access to the care they need to work each day helping children create meaningful and supportive connections.¹⁸

When educators leave their programs as a result of burnout or low compensation, however, those connections can be disrupted in ways that negatively impact young children's cognitive development.^{19,20} **Research** has shown that reliability in the relationship between young children and their caregivers helps protect against **excessive stress** that, early in life, can harm biological and psychological health in the long-term.^{21,22}

In addition to the ways in which access to health coverage for the child care workforce, Medicaid plays a critically important role in filling gaps in support for young children with disabilities and developmental delays. Infants and toddlers with disabilities have access to critical early intervention services through a combination of state and federal funding streams, but as federal funding has failed to keep up with the rising need for support, most states rely on Medicaid to help finance these necessary services. By supporting access to early intervention services, Medicaid further supports the ECE workforce by **helping children with disabilities and developmental delays thrive in inclusive care settings**.²³ In NAEYC's recent **ECE workforce survey**, educators cited a lack of resources to deal with developmental and behavioral challenges as another key driver of increased burnout, and, among those considering leaving the field, nearly 1 in 3 claimed that more support in addressing these challenges would support them to stay.²⁴ These data suggest disruptions to children's access to critical early intervention services as a result of Medicaid cuts could further worsen child care staffing crises.

Medicaid is Essential for the Child Care Workforce, Families, and the Economy

Medicaid is not only essential for children and families, but also for the many early childhood educators who rely on it. A lack of access to competitive wages and benefits contributes greatly to the retention and recruitment challenges experienced in the ECE workforce, which could be worse without Medicaid coverage available.

Many lawmakers and state leaders are working to strengthen access to professional compensation for early childhood educators. Until payment and benefits can be improved, Medicaid plays an important role in providing health coverage for this critical workforce. A strong, well-supported early childhood education workforce plays a critical role in supporting young children's healthy development and parents' ability to work. Medicaid helps to prevent further destabilization of the early childhood education workforce, added staff burnout and turnover, and more limits on families' access to high-quality care that meets their needs.

Share of Child Care Workers Covered by Medicaid by State, 2023

State	Share of Child Care Workers Covered by Medicaid ▼
United States	27.8%
Vermont	67.0%
New Mexico	52.4%
Oregon	44.5%
South Dakota	44.0%
Louisiana	40.9%
New York	39.1%
Montana	39.0%
Iowa	37.4%
West Virginia	37.2%
Michigan	36.9%
California	36.6%
Connecticut	34.9%
Washington	33.6%
New Jersey	33.0%
Arkansas	31.0%
Massachusetts	30.8%
Ohio	30.2%
Kentucky	30.1%
Illinois	29.8%
Minnesota	29.8%
Maryland	28.9%
Indiana	28.3%
Pennsylvania	27.1%
Wisconsin	26.0%
Arizona	24.7%
Missouri	24.6%
Virginia	23.9%
Colorado	23.7%
Oklahoma	23.3%
Georgia	23.0%
South Carolina	21.5%
Florida	17.3%
North Carolina	17.2%
Texas	12.7%

Data include citizen, non-elderly adult (19-64) workers who identified as childcare workers according to ACS occupation codes. States without data suppressed due to poor reliability.

Source: Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS).

Endnotes

1. Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS). Data include citizen, non-elderly adult (19-64) workers who identified as childcare workers according to ACS occupation codes. [↩](#)
2. Amadon, S., Maxfield, E., Simons Gerson, C., and Keaton, H., "Health Insurance Coverage of the Center-Based Child Care and Early Education Workforce: Findings from the 2019 National Survey of Early Care and Education" (Office of Planning, Research, and Evaluation, Administration for Children and Families, U.S. Department of Health and Human Services, 2023). Available [here](#). [↩](#)
3. Banerjee, A., Gould, E., and Sawo, M., "Setting Higher Wages for Child Care and Home Health Care Workers is Long Overdue," (Economic Policy Institute, November 18, 2021) available [here](#). [↩](#)
4. Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS). [↩](#)
5. Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS). Data include citizen, non-elderly adult (19-64) workers who identified as childcare workers according to ACS occupation codes. [↩](#)
6. "Early Childhood Workforce Index 2024" (Center for the Study of Child Care Employment, 2024), Early Educator Pay & Economic Insecurity Across the States, available [here](#). [↩](#)
7. "Early Childhood Workforce Index 2024" (Center for the Study of Child Care Employment, 2024) About the Early Childhood Workforce, available [here](#). [↩](#)
8. "Early Childhood Workforce Index 2024" (Center for the Study of Child Care Employment, 2024) Early Educator Pay & Economic Insecurity Across the States, available [here](#). [↩](#)
9. "An Unsustainable Status Quo" (National Association for the Education of Young Children, February 2025) available [here](#). [↩](#)
10. "An Unsustainable Status Quo" (National Association for the Education of Young Children, February 2025) available [here](#). [↩](#)

11. Lukens, G. and Harker L., "Closing Medicaid Coverage Gap Would Help Diverse Groups and Reduce Inequities," (Center on Budget and Policy Priorities, July 2024) available [here](#). ↩
12. "Status of State Medicaid Expansion Decisions," (KFF, February 12, 2025) available [here](#). ↩
13. Lukens, G. and Harker L., "Closing Medicaid Coverage Gap Would Help Diverse Groups and Reduce Inequities," (Center on Budget and Policy Priorities, July 2024) available [here](#). ↩
14. Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS). Data include citizen childcare workers under 138% FPL. ↩
15. Georgetown University Center for Children and Families analysis of U.S. Census Bureau 2023 American Community Survey (ACS) Public Use Microdata Sample (PUMS). ↩
16. Park, E., Alker, J., and Corcoran, A., "Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm," (The Commonwealth Fund, December 8, 2020) available [here](#). ↩
17. Wright Burak, E., "Parents' and Caregivers' Health Insurance Supports Children's Healthy Development" (Society for Research in Child Development, June 2019), available [here](#). ↩
18. "The Case for Better Compensation of Early Educators," (ZERO TO THREE, June 2023), available [here](#). ↩
19. "The Case for Better Compensation of Early Educators," (ZERO TO THREE, June 2023), available [here](#). ↩
20. "Staff Turnover in the Early Childhood Workforce," (Institute of Education Sciences, January 2020), available [here](#). ↩
21. "Connecting the Brain to the Rest of the Body: Early Childhood Development and Lifelong Health Are Deeply Intertwined," *National Scientific Council on the Developing Child*, (Center on the Developing Child, Harvard University, June 2020) Working Paper 15, available [here](#). ↩
22. "Toxic Stress," (Center on the Developing Child, Harvard University), available [here](#). ↩

23. "Medicaid Provides Early Intervention for Infants and Toddlers with Disabilities and Developmental Delays," (Georgetown University Center for Children and Families, March 2025) available [here](#). ↩
24. "An Unsustainable Status Quo" (National Association for the Education of Young Children, February 2025) available [here](#). ↩

Additional resources

Austin, L., Edwards, B., and Whitebook, M., "Racial Wage Gaps in Early Education Employment" (Center for the Study of Child Care Employment, December 2019), available [here](#).

Chien, N. and Macartney, S. "Health Care and Child Care Costs Contribute to the Unsustainable and Growing Cost of Raising a Family in America" (U.S. Department of Health and Human Services, March 2025), available [here](#).

"How America's Child Care Crisis Impacts Parents" (ZERO TO THREE, June 2024), available [here](#).

Kashen, J., "Beyond Health: Threats to Medicaid Funding Would Endanger Child Care Too," (The Century Foundation, March 5, 2025) available [here](#).

Mefferd, E. and Dow, D., "The US Child Care System Relies on Women of Color, but Structural Barriers Systematically Disadvantage Them," *Urban Wire*, (Urban Institute, June 14, 2023), available [here](#).

Rudich, J., Sugar, S., Chien, N., Peters, C., Sommers, B., "Assessing Uninsured Rates in Early Care and Education Workers" (Assistant Secretary for Planning and Evaluation, November 2021), as cited in Wikle, S. and Wright Burak, E., "State Opportunities to Improve Health Care Coverage for Child Care Professionals" (Georgetown University Center for Children and Families, November 2022), available [here](#).