

CHILD CARE AND ECONOMIC DEVELOPMENT IN NORTH CAROLINA

Samantha Cole

Child Care Business Liaison

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NORTH CAROLINA
**DEPARTMENT of
COMMERCE**

AGENDA

- CHILD CARE LANDSCAPE IN NC
- THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE
- NORTH CAROLINA INNOVATIONS
 - CHILD CARE BUSINESS LIAISON ROLE
 - Key functions
 - Employer engagement options
 - NC TASK FORCE ON CHILD CARE AND EARLY EDUCATION



NORTH CAROLINA'S CHILD CARE LANDSCAPE

THE CHILD CARE CHALLENGE



SOURCE: NORTH CAROLINA PARTNERSHIP FOR CHILDREN

NORTH CAROLINA'S CHILD CARE LANDSCAPE

- 5,269 LICENSED CHILD CARE PROVIDERS
 - MOSTLY CHILD CARE CENTERS; ALSO FAMILY CHILD CARE HOMES
 - CURRENTLY SERVING:
 - 180,424 CHILDREN AGES 0 - 5
 - 40,577 SCHOOL-AGED CHILDREN CURRENTLY ENROLLED
- ~283,000 NC CHILDREN AGES 0 – 5 ARE NOT CURRENTLY IN LICENSED CARE

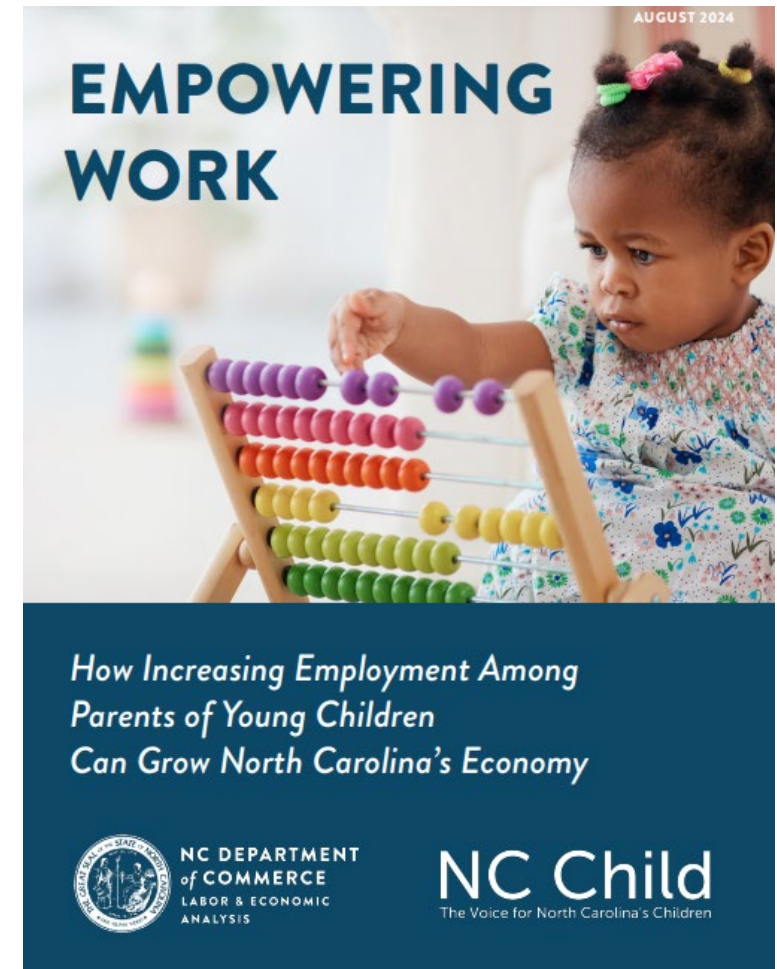




THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE

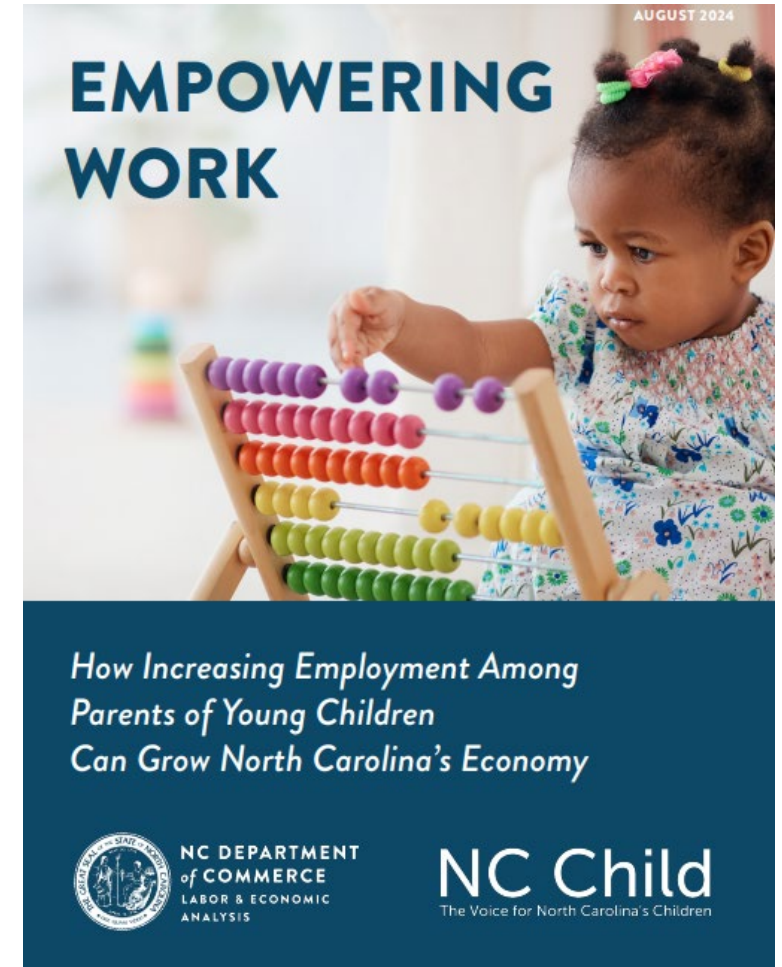
THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE

- EMPOWERING WORK REPORT (OCT 2024)
 - NC COMMERCE & NC CHILD
 - AWARDED BEST POLICY ANALYSIS AWARD AT C2ER 2025 CONFERENCE
- METHODS
 - IDENTIFIED THAT IN 2023, THERE WERE 100,000 FEWER WORKING-AGE PARENTS WITH YOUNG CHILDREN IN NC'S WORKFORCE THAN IN 2019
 - PROJECTED IMPACTS OF UP TO 31,067 OF THESE INDIVIDUALS RETURNING TO THE WORKFORCE IN 2023



THE ECONOMIC DEVELOPMENT CASE FOR CHILD CARE

- UPSHOT:
 - IN 2023, 31,000+ PARENTS REENTERING THE WORKFORCE WOULD HAVE CREATED:
 - UP TO \$13.3 BILLION IN ANNUAL ECONOMIC OUTPUT FOR NC
 - UP TO 68,000 NEW JOBS STATEWIDE
 - UP TO 37,150 OF THESE JOBS CREATED FROM DOWNSTREAM ECONOMIC IMPACTS
 - UP TO \$7.5 BILLION INCREASE IN NC'S GDP





NORTH CAROLINA INNOVATIONS IN CHILD CARE ACCESS

NORTH CAROLINA INNOVATION #1: CHILD CARE BUSINESS LIAISON ROLE

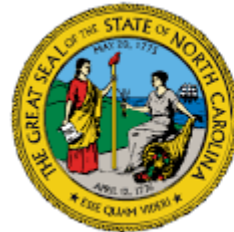
- NC COMMERCE FIRST IN TALENT STRATEGIC PLAN (2021)
- **GOAL #1:** PREPARE NORTH CAROLINA'S WORKFORCE FOR CAREER AND ENTREPRENEURIAL SUCCESS
 - **STRATEGY #1:** INCREASE ACCESS TO HIGH-QUALITY EARLY CHILDHOOD EDUCATION AND DECREASE CHILD CARE EXPENSES FOR WORKING FAMILIES



NORTH CAROLINA INNOVATION #1: CHILD CARE BUSINESS LIAISON ROLE



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NORTH CAROLINA INNOVATION #1: CHILD CARE BUSINESS LIAISON ROLE

FUNDAMENTAL

CHILD CARE NEEDS ASSESSMENT

FAMILY-FRIENDLY POLICIES

ADVOCACY

INTERMEDIATE

TUITION COST SHARING

PURCHASING CHILD CARE SLOTS

CHILD CARE EXPANSION GRANTS

EMERGENCY ON-SITE
BACKUP CARE

NC TRI-SHARE

ADVANCED

EARLY ED FLEX PLEX

CONSORTIUM CHILD CARE

ON-SITE / NEAR-SITE CHILD CARE

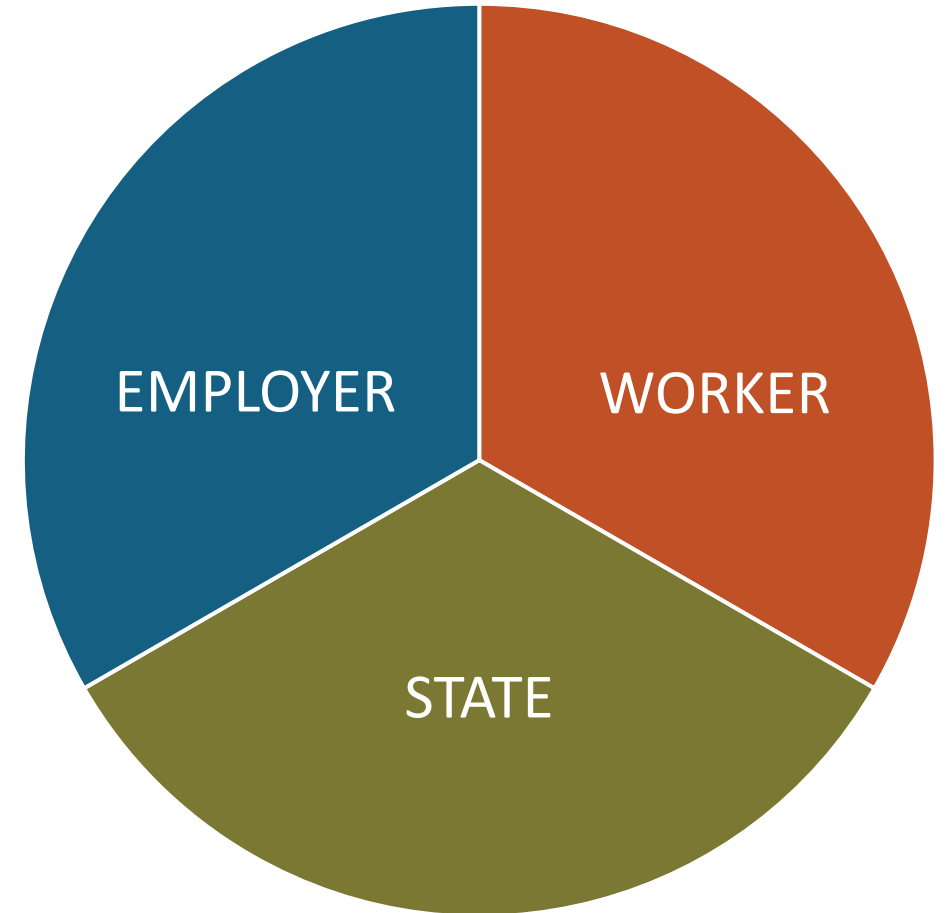
EMPLOYER ENGAGEMENT OPTIONS

NC TRI-SHARE

EMPLOYER SHARES THE COST OF CHILD CARE TUITION WITH THEIR WORKERS.

BENEFITS

- ☒ COST-EFFECTIVE FOR THE EMPLOYER
- ☒ CAN COVER VARIOUS FORMS OF CARE
- ☒ TALENT RECRUITMENT AND RETENTION ASSET



SOURCE: NORTH CAROLINA PARTNERSHIP FOR CHILDREN / SMART START

EMPLOYER ENGAGEMENT OPTIONS

ON-SITE EMERGENCY BACKUP CHILD CARE

EMERGENCY CHILD CARE SERVICES OFFERED ON SITE WITHIN AN UPFITTED SPACE TO SERVE EMERGENCY CARE NEEDS FOR WORKERS WHOSE PRIMARY CHILD CARE ARRANGEMENT IS INTERRUPTED.

BENEFITS

- ☒ RELATIVELY LOW OPERATION COSTS
- ☒ REDUCES UNPLANNED WORKER ABSENCES
- ☒ SIGNIFICANTLY IMPROVES TALENT RECRUITMENT & RETENTION

EXAMPLE

UPS PILOT IN CA, PA, ADDITIONAL STATES



EMPLOYER ENGAGEMENT OPTIONS

CHILD CARE EXPANSION GRANTS

PUBLIC-PRIVATE PARTNERSHIP ALLOWING EMPLOYERS TO SUPPORT ADDITION OF NEW CHILD CARE SLOTS IN EXISTING LICENSED CHILD CARE CENTERS.

BENEFITS

- ☒ WAITLIST PRIORITY FOR WORKERS
- ☒ EMPLOYERS CAN START AT ANY PRICE POINT
- ☒ ALL PARTICIPANTS CAN STICK TO CORE COMPETENCIES
- ☒ MORE SLOTS = SHORTER WAITLISTS FOR WHOLE COMMUNITY

EXAMPLE

BUNCOMBE COUNTY, NC PILOT PROGRAM

BILTMORE®



NORTH CAROLINA INNOVATION #2: TASK FORCE ON CHILD CARE & EARLY EDUCATION

- ESTABLISHED BY GOVERNOR JOSH STEIN IN MARCH 2025
- CO-CHAIRS: LIEUTENANT GOVERNOR RACHEL HUNT (D); SENATOR JIM BURGIN (R)
- INCLUDES LEADERSHIP OF NC COMMERCE, NC CHAMBER, EMPLOYERS
- OBJECTIVE: EXPAND SUPPLY OF ACCESSIBLE, AFFORDABLE, AND HIGH-QUALITY CHILD CARE AND EARLY EDUCATION OPTIONS FOR WORKING FAMILIES IN NC



**NORTH CAROLINA TASK FORCE *on*
CHILD CARE & EARLY EDUCATION**

NORTH CAROLINA INNOVATION #2: TASK FORCE ON CHILD CARE & EARLY EDUCATION

TASK FORCE RECOMMENDATIONS (JUNE 2025):

1. SET A STATEWIDE CHILD CARE SUBSIDY REIMBURSEMENT RATE FLOOR
2. DEVELOP APPROACHES TO OFFER NON-SALARY BENEFITS TO CHILD CARE PROFESSIONALS
3. EXPLORE PARTNERSHIPS WITH THE UNC SYSTEM, NC COMMUNITY COLLEGES, AND K-12 SCHOOL SYSTEMS TO INCREASE ACCESS TO CHILD CARE FOR PUBLIC EMPLOYEES AND STUDENTS AT PUBLIC INSTITUTIONS OF HIGHER EDUCATION
4. EXPLORE SUBSIDIZED OR FREE CHILD CARE FOR CHILD CARE TEACHERS
5. LINK EXISTING WORKFORCE COMPENSATION AND SUPPORT PROGRAMS FOR EARLY CHILDHOOD PROFESSIONALS INTO A COHESIVE SET OF SUPPORTS
6. EXPLORE THE CREATION OF A CHILD CARE ENDOWMENT TO FUND CHILD CARE NEEDS

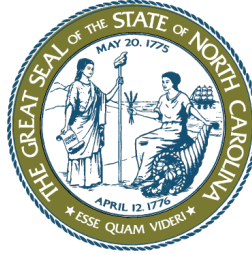
NORTH CAROLINA INNOVATION #2: TASK FORCE ON CHILD CARE & EARLY EDUCATION

CHILD CARE FINANCE AND FUNDING	CHILD CARE FOR THE PUBLIC SECTOR WORKFORCE	CHILD CARE WORKFORCE COMPENSATION AND SUPPORTS
SET A STATEWIDE CHILD CARE SUBSIDY REIMBURSEMENT RATE FLOOR	EXPLORE PARTNERSHIPS WITH THE UNC SYSTEM, NC COMMUNITY COLLEGES, AND K-12 SCHOOL SYSTEMS TO INCREASE ACCESS TO CHILD CARE FOR PUBLIC EMPLOYEES AND STUDENTS AT PUBLIC INSTITUTIONS OF HIGHER EDUCATION	DEVELOP APPROACHES TO OFFER NON-SALARY BENEFITS TO CHILD CARE PROFESSIONALS
EXPLORE THE CREATION OF A CHILD CARE ENDOWMENT TO FUND CHILD CARE NEEDS		EXPLORE SUBSIDIZED OR FREE CHILD CARE FOR CHILD CARE TEACHERS
		LINK EXISTING WORKFORCE COMPENSATION AND SUPPORT PROGRAMS FOR EARLY CHILDHOOD PROFESSIONALS INTO A COHESIVE SET OF SUPPORTS

THREE KEY TAKEAWAYS

1. CHILD CARE ISN'T JUST A FAMILY ISSUE – IT'S AN ECONOMIC DEVELOPMENT IMPERATIVE
2. THERE AREN'T PERFECT SOLUTIONS, BUT WE SHOULDN'T WAIT FOR ONE TO GET STARTED
3. WE NEED TO SEE SIGNIFICANT PUBLIC INVESTMENT IN CHILD CARE ACCESS ALONGSIDE PUBLIC-PRIVATE INNOVATION

OPEN DISCUSSION



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CONTACT
INFO



**samantha.cole@
commerce.nc.gov**

SOURCES CITED

- [Child Care Trilemma information](#) (NC Partnership for Children / Smart Start, via Education NC)
- [NC ECE Data Repository](#) (Early Years)
- [Empowering Work: How Increasing Employment Among Parents of Young Children Can Grow North Carolina's Economy](#) (NC Department of Commerce / NC Child)
- [First In Talent: Strategic Economic Development Plan for the State of North Carolina](#) (NC Department of Commerce)
- [North Carolina Task Force on Child Care and Early Education information](#) (NC Department of Commerce)
- [The Employee Benefit that Pays for Itself](#) (Boston Consulting Group / MomsFirst)
- [NC Tri-Share information](#) (NC Partnership for Children / Smart Start)
- [NC Task Force on Child Care and Early Education June 2025 Report](#) (NC Task Force on Child Care and Early Education)