TEXAS TALENT EXPERTS · INDUSTRY SNAPSHOT · NOV 2026

Child Care

Workforce + Economic Impact · Austin Metro + Surrounding Counties

10-county region including: Bastrop, Blanco, Burnet, Caldwell, Fayette, Hays, Lee, Llano, Travis, Williamson County

WORKFORCE SOLUTIONS Capital Area
Connecting People to Jobs

WORKFORCE SOLUTIONS
Rural Capital Area
Where Business & Careers Meet!

KEY TAKEAWAYS

Child Care as Workforce Infrastructure

- The child care system is an essential component of workforce infrastructure, directly influencing labor force participation, talent availability, and regional economic competitiveness.
- Current child care capacity and affordability challenges disproportionately affect working families and create barriers for employers seeking to recruit and retain talent.
- Addressing child care shortages through coordinated public and private investment will strengthen the workforce, improve economic mobility for families, and generate measurable returns for the regional economy.

ECONOMIC & WORKFORCE IMPACT

The Economic Cost of Child Care Challenges

65%
Of Central Texas children lack access to needed child care due to cost and capacity constraints

9,083
Families on child care assistance waitlists across the two Workforce Solutions regions, on average

19%
Of a Texas family's annual income goes toward infant care, on average

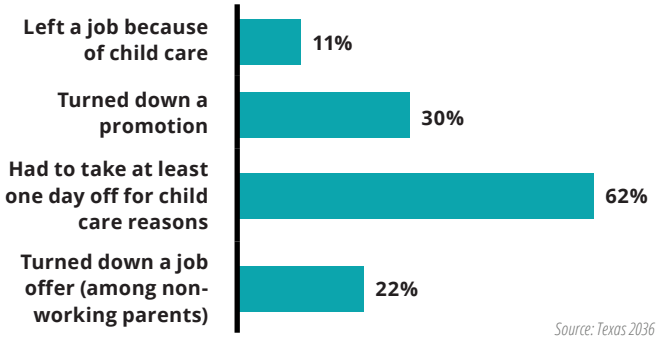
$7.9B
In annual economic losses for Texas employers due to child care gaps

9%
Annual increase in child care costs, compared with a 3.7% rise in the cost of living, on average

How Child Care Barriers Affect Workforce Participation

- Child care is a critical factor for families entering the workforce and hoping to maintain sustained employment. Texas 2036 notes that families earning under $35,000 a year spend about **19%** of their income on child care; residents who receive child care services in the Central Texas region see that economic impact on a more profound level.
- For Travis County families receiving federal child care scholarships, the cost of care covered by assistance can represent **30–40% of their annual income** for just one child receiving care. With an average of **1.94** children per family in the U.S., the financial benefit can be even greater for families with multiple children receiving care.
- As demonstrated in the provided chart, child care is a critical workforce infrastructure issue. The shortage of licensed child care capacity limits labor force participation, constrains employers' access to talent, and creates economic challenges that affect families, businesses, and regional growth.
- Investments that reduce barriers to child care can produce measurable economic returns, with the child care assistance waitlist representing an estimated **$28.9M** in unearned wages and approximately **$47M** in regional economic impact if those families are able to participate in the workforce.

IN THE PAST 12 MONTHS, PARENTS REPORT THEY...



Source: Texas 2036

Source: Texas 2036; U.S. Census Bureau; Census Reporter; Department of Family Protective Services

REGIONAL PARTNERSHIP HIGHLIGHTS

Strengthening the Workforce Through Child Care

Explore how regional partners are turning collaboration into action. Click or scan to connect with workforce opportunities.

Raising Travis County

When child care and out-of-school time programs are too expensive or hard to find, families face choices that disrupt employment, limit workforce participation, and reduce long-term economic mobility. Following the Nov. 2024 passage of Prop A, Travis County is investing **$75M** annually in child care, with Workforce Solutions Capital Area managing a **$31M** contract for scholarships and provider gap funding, which helps cover the true cost of delivering high-quality child care. As of Oct. 2026, **780** children were enrolled in scholarships, and **$4.9M** in gap payments had been distributed to **201** child care providers.

Learn More



Turning Public Investment into Workforce Stability

Thanks to the voter-approved Raising Travis County tax rate increase, locally operated child care centers like Open Door Preschools are strengthening and retaining their workforce. In 2025, Raising Travis County gap funding provided Open Door Preschools with an additional **$100,000** to support staff salaries, enabling the organization to implement a **2%** wage increase for its employees. The Executive Director, Cynthia McCollum, credits the gap funding with making these raises possible and encourages continued investment in innovative funding strategies that strengthen the early childhood workforce and expand access to high-quality child care for families.



A Lifesaving Investment with a Lasting Impact

Through an investment of more than **$100,000** in child care quality funds, Workforce Solutions Rural Capital Area (WSRCA) equipped **59** early learning programs with Automated External Defibrillators (AEDs) and specialized emergency response training. This investment is especially critical for rural communities, where emergency medical services may be more than 15 minutes away and every second counts during a cardiac emergency. By placing lifesaving equipment directly in child care settings and ensuring staff are prepared to respond, WSRCA is strengthening emergency preparedness and creating safer environments for children, educators, families, and visitors. The benefits of this one-time investment will continue for years as new children, families, and staff enter these programs, providing lasting protection and helping bridge critical gaps in access to emergency care.

Learn More

GET CONNECTED

Explore regional child care resources and partnerships.

Connect with Workforce Solutions today. →

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