



# Hibbs Outlook of East Texas

*Hibbs Institute for Business & Economic Research*

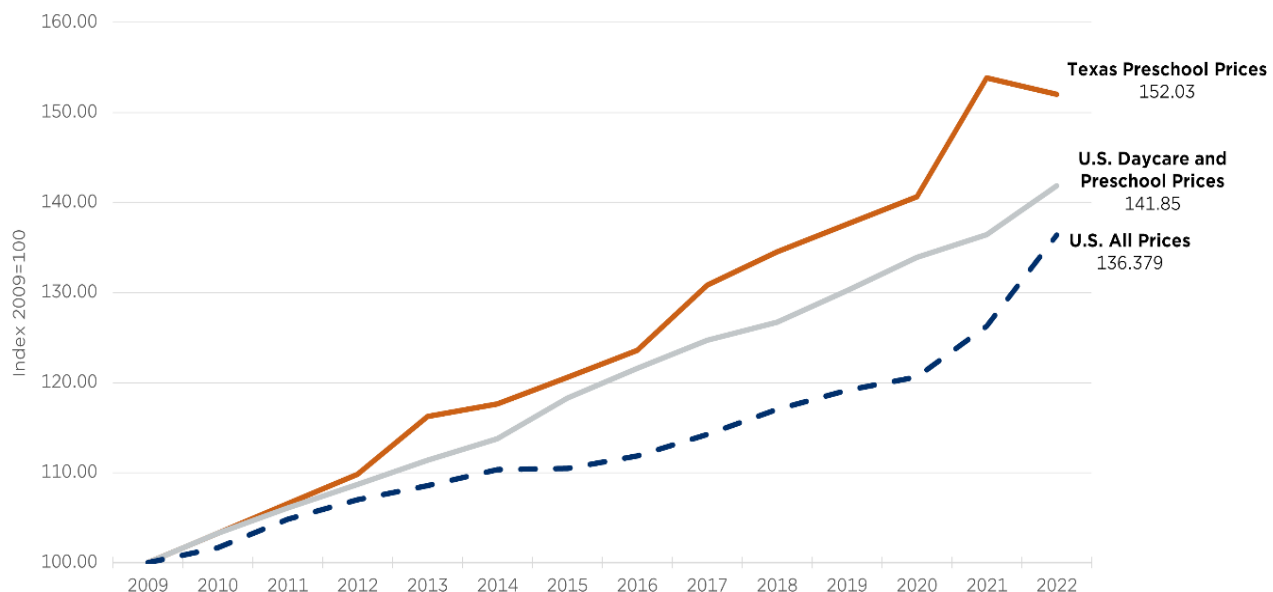
## Childcare Costs, Access and Affordability in the United States with a Focus on East Texas

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Rising childcare costs are straining family budgets at a time when wages are not keeping pace, leaving many households with less money available to cover basic needs like housing and transportation.<sup>1</sup> According to the Economic Policy Institute, the annual cost of caring for one infant now exceeds average rent in 17 states, making childcare one of the largest household expenses outside of housing. Additionally, the cost of infant care is higher than in-state public college tuition in 38 states, showing that families often pay more to look after a baby than to send a young adult to a local university.<sup>2</sup>

Childcare expenses have surged above overall inflation (substantial in the post pandemic years). Between 2009 and 2022, the price of preschool care in Texas rose by 52%, while the U.S. rose nearly 42%, compared with a 36% increase in general consumer prices over the same period.<sup>3</sup> **Figure 1** illustrates these variations using indexed numbers to allow for comparisons among different indicators provided by the National Database of Childcare Prices and the U.S. Bureau of Labor Statistics.

**Figure 1. Childcare Prices and Overall Inflation in the U.S. and Texas (2009-2022)**



Source: The Hibbs Institute estimates using the National Database of Childcare Prices (2009-2022) and the U.S. Bureau of Labor Statistics (2009-2022).

A Shortage of Childcare Facilities in the United States

Over the last several decades, families in which all parents are employed outside the home have become far more common. At the same time, research has increasingly demonstrated that early care and education play an important role in children’s academic success, health and social development. Together, these trends would normally be expected to support a strong and responsive childcare market. In some areas, particularly higher-income suburbs, the supply of childcare has expanded to keep pace with need. However, this is not the case in several areas across the country where parents face a shortage of accessible childcare options.<sup>4</sup>

An organization named the Center for American Progress (CAP) developed a concept to determine if the number of available licensed childcare facilities is considerably low relative to local demand in an area: a childcare desert. This metric conveniently identifies where a shortage is present and how severe it is from the conventional standard.<sup>4</sup> According to CAP’s findings, more than half of the population across all 50 states and Washington D.C. (51%) live in neighborhoods classified as childcare deserts.

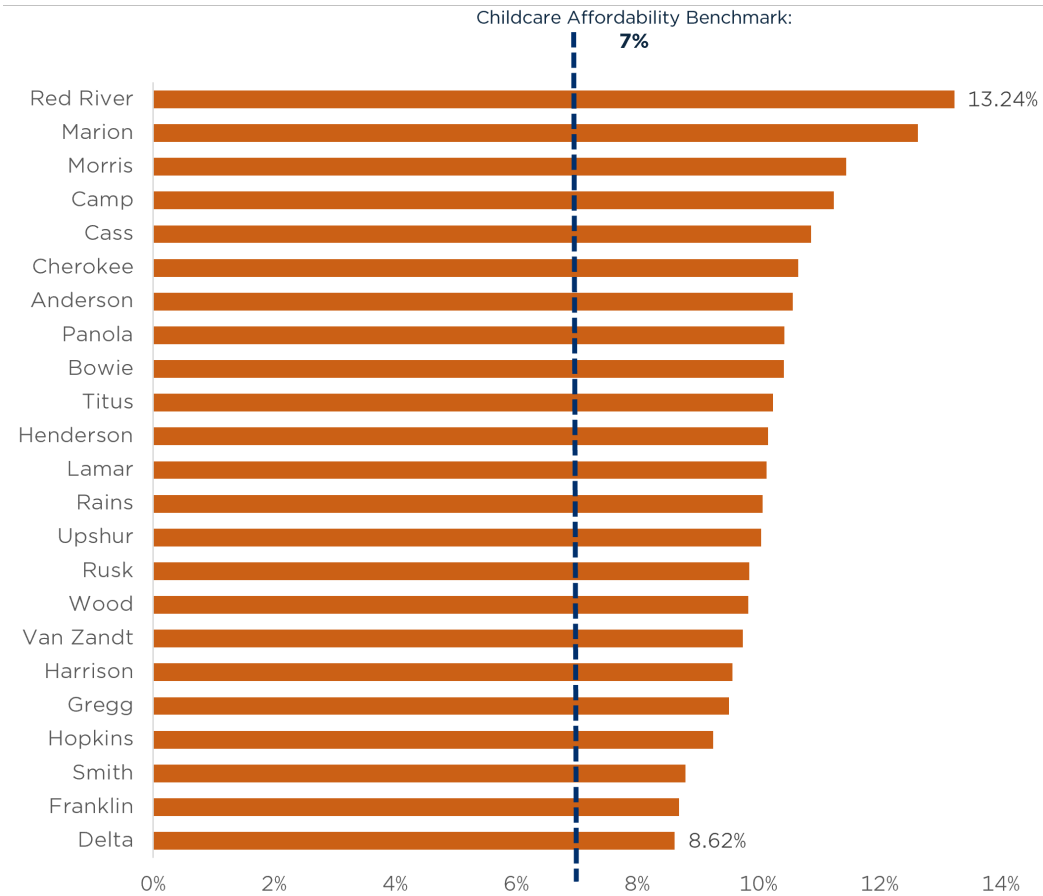
Notably, the shortage is even more severe in rural areas, where families face the steepest barriers to access, with roughly three out of five rural communities lacking sufficient childcare options. Childcare deserts often push parents to make difficult

choices, such as relying on unlicensed care, family, or friends, and even stepping away from paid work.<sup>5</sup> A national poll by The Washington Post found that more than three-quarters of mothers and about half of fathers had turned down work opportunities, changed jobs, or left their jobs because they lacked paid leave or reliable childcare.<sup>6</sup>

The Childcare Affordability in East Texas

Rising costs and limited childcare supply are challenges also experienced by East Texans. Provider closures following the COVID-19 pandemic, ongoing staffing shortages and low wages in the early-child workforce have restricted the system’s ability to expand in East Texas.<sup>7</sup> In 2025, 39 zip codes in the Tyler area were classified as childcare deserts.<sup>8</sup> When higher prices are combined with too few childcare options, affordability becomes a major problem for families. To better understand this, the Hibbs Institute developed the Childcare Affordability Index, which measures annual childcare expenses as a share of family income.<sup>9</sup> Figure 2 depicts the Childcare Affordability Index for the 23 counties in East Texas. The U.S. Department of Health and Human Services considers childcare affordable when it accounts for no more than 7% of household income.<sup>10</sup> Across East Texas, however, no county meets this benchmark. Families in the region typically spend between 9% and 13% of their income on childcare, with mild differences across counties.

Figure 2. Childcare Affordability Index for East Texas Counties (2022)



Source: The Hibbs Institute estimates using the National Database of Childcare Prices and the U.S. Census Bureau ACS 5-year estimates (2019-2023).

Even in areas where childcare prices are lower, family incomes are often too low to fully absorb the cost, leaving childcare persistently unaffordable for many households. It is important to keep in mind that these figures are expressed as a share of counties' median family income. This means that lower-income families may spend even larger shares of their annual incomes on paid care per child.

### A Critical Challenge for Regional Economic Growth

Access to affordable, high-quality childcare is essential for healthy child development and family stability. Research consistently shows that early care and education support children's cognitive, social and emotional growth, with benefits that extend into later educational attainment, health and social outcomes. While quality childcare is costly for families, many of its benefits extend beyond individual households, helping reduce inequality across communities over time.

Childcare access also has significant economic implications. Reliable childcare functions as core employment infrastructure, enabling parents — especially mothers — to remain in or re-enter the workforce. Communities identified with childcare deserts where mothers stay home to take care of children tend to negatively impact the labor force participation rates in about three percentage points (or higher in low-income areas), which, in turn affects the local economy. Regions that have expanded childcare access have seen stronger female employment growth, suggesting that investing in childcare can support economic growth while promoting a more inclusive and equitable economy.

This information was also featured in the February/March issue of TYLER TODAY Magazine. Visit [bluetoad.com/publication/?i=860376&p=48&view=issueViewer](https://bluetoad.com/publication/?i=860376&p=48&view=issueViewer) to read the article for free.

### End Notes

<sup>1</sup> Fillion, J. (2025, November 18). New: "High cost of child care shapes families' choices and futures". First Five Years Fund. <https://www.ffyf.org/resources/2025/11/new-high-cost-of-child-care-shapes-families-choices-and-futures/>

<sup>2</sup> Economic Policy Institute. (2025, March 5). *Updated resource calculates the cost of child care in every state: Child care is more expensive than public college tuition in 38 states and Washington, D.C.* [Press release]. <https://www.epi.org/press/updated-resource-calculates-the-cost-of-child-care-in-every-state-child-care-is-more-expensive-than-public-college-tuition-in-38-states-and-washington-d-c/>

<sup>3</sup> Hibbs Institute calculations using data from the National Database of Childcare Prices and the U.S. Bureau of Labor Statistics.

<sup>4</sup> Malik, R., & Hamm, K. (2017, August 30). *Mapping America's child care deserts*. Center for American Progress. <https://www.americanprogress.org/article/mapping-americas-child-care-deserts/>

<sup>5</sup> Malik, R., Hamm, K., Schochet, L., Novoa, C., Workman, S., & Jessen-Howard, S. (2018, December 6). *America's child care deserts in 2018*. Center for American Progress. <https://www.americanprogress.org/article/americas-child-care-deserts-2018/>

<sup>6</sup> Paquette, D., & Craighill, P. M. (2015, August 6). The surprising number of parents scaling back at work to care for kids. *The Washington Post*. [https://www.washingtonpost.com/business/economy/the-surprising-number-of-moms-and-dads-scaling-back-at-work-to-care-for-their-kids/2015/08/06/c7134c50-3ab7-11e5-b3ac-8a79bc44e5e2\\_story.html](https://www.washingtonpost.com/business/economy/the-surprising-number-of-moms-and-dads-scaling-back-at-work-to-care-for-their-kids/2015/08/06/c7134c50-3ab7-11e5-b3ac-8a79bc44e5e2_story.html)

<sup>7</sup> Children at Risk. (n.d.). *Texas child care closures* [Interactive map]. Retrieved February 9, 2026, from <https://childrenatrisk.org/childcareclosuremap/>

<sup>8</sup> Meyer, L. (2025, December 4). Children at Risk shares new data on growing childcare deserts in East Texas. *Tyler Morning Telegraph*. <https://tylerpaper.com/2025/12/04/children-at-risk-shares-new-data-on-growing-childcare-deserts-in-east-texas/>

<sup>9</sup> The Hibbs Institute estimates using the National Database of Childcare Prices and the U.S. Census Bureau ACS 5-year estimates (2019-2023).

<sup>10</sup> U.S. Department of Health and Human Services. (2024, March 1). Improving child care access, affordability, and stability in the Child Care and Development Fund (CCDF). *Federal Register*, 89, 15366–15417. <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>

The Hibbs Institute has created a [LinkedIn](#) page that frequently releases business and economic information. Follow our page for future brief updates, announcements and links to our periodic publications.

**Hibbs Outlook: Childcare Costs, Access and Affordability in the United States with a Focus on East Texas (February 2026)**



In fall 2024, the **Hibbs Institute for Business and Economic Research** launched the Hibbs Internship Program — an intentional investment in cultivating the next generation of regional researchers and leaders. The program provides undergraduate students with hands-on experience in economic analysis, allowing them to engage with real-world data and contribute to applied research focused on East Texas.

**Sara Maldonado**, one of the first participants in the program, played a central role in this project. Reflecting on her experience, she shared:

"I am so grateful for the opportunity to contribute to this brief. One of the most meaningful lessons I am taking with me is that data is never just numbers, it represents the real, often difficult decisions families make under everyday constraints. This project deepened my understanding of how important it is to pair economic data with local context, and to recognize childcare not as a secondary social concern, but as essential infrastructure that shapes opportunity. Contributing to work that centers these realities has been both grounding and motivating, and it is an experience I will carry forward as I continue to engage more deeply with data and work to help break down barriers to opportunity for all."

Sara's perspective brings the purpose of this brief into sharp focus. Her reflection is a reminder that childcare data is not just a set of estimates, it is a window into the tradeoffs families make every week about work, income and time. By grounding the numbers in local conditions, her work reinforces a central point of this project: childcare is economic infrastructure that shapes labor force participation, business capacity and long-run opportunity across East Texas.

