The Future of the Care Economy:
Public Investment in Families and Workers

The US is facing a care crisis. Too many working families lack safe, high-quality, and reliable childcare, and many more are priced out altogether. Private equity squeezes the childcare market in search of profits as workers suffer without the bargaining power needed to increase wages and training.

Our care research is charting a better path forward: a federal investment strategy centered on the core belief that we all have a common interest in investing in care from the youngest ages through to adulthood. We need policies that prioritize public provisioning, workforce equity, and protection from extractive models.

A Market Failing Families

Half of US families live in childcare deserts, and in most regions, care now costs more than housing, food, or transportation. Meanwhile, 88 percent of working parents have jobs outside school hours while after-school care remains out of reach. Working families hardly have room in their budgets to pay for—much less sustain and grow—the vital care services they need.

Among older adults, more than 700,000 remain on waiting lists for Medicaid home- and community-based services, waitlists that may soon swell as the current administration implements harsh cuts to the program. Medicare coverage is also limited, and private long-term care insurance largely inaccessible.

These care gaps are projected to cost $290 billion in lost GDP annually by 2030. Yet private equity–backed chains now operate major childcare and nursing home networks, finding ways to profit from the under-resourced system by skimping on quality and leaving many markets underserved. In nursing homes, private equity ownership has been linked to lower staffing levels and higher infection and mortality rates compared to nonprofit and public facilities.

A Workforce Undervalued and Underbuilt

Nearly 1 in 5 US workers are in the care economy. Of them, 80 percent are women and 32 percent are people of color; in direct care, those numbers rise to 87 and 61 percent. **The sector is projected to grow twice as fast** as any other in the next decade, yet most workers currently earn under $18 per hour in nonunion jobs—among the lowest in any profession.

Investing in this sector would yield outsized returns: These labor-intensive, low-capital jobs make care one of the most efficient public investments. Raising wages would stabilize the workforce and strengthen equitable care systems.

Reimagining Public Investment and Delivery

Addressing the supply issues across the care sector requires stable public funding—not tax subsidies—to ensure quality supply and access. Low-income consumers reliant on a patchwork of credits will not drive a private supply build-out at the scale required.

A universal childcare system must be funded directly to offer low- or no-cost care, supported by fair wages and collective bargaining. For school-age children, a unified Child Development System could provide care and enrichment throughout early childhood, after-school, and summer. Finally, policymakers must ensure guardrails are in place to prevent extractive private equity capture of public dollars.

Policy Considerations

Smart investments in care lower family costs, boost employment, and strengthen the economy. Roosevelt's burgeoning research in this space sets out clear first-order principles for how to structure this investment for success:

1. Address investments in the care economy as a form of national industrial policy
2. Focus on long-term public investment, since markets around the country are failing
3. Streamline existing funding and administration and build pathways for stakeholder input
4. Identify public funding mechanisms that match this moment to revitalize and stabilize not-for-profit delivery of care across all ages and stages
5. Attach funding conditions that are based on strong and simple-to-understand labor, accountability, and quality standards

To learn more about Roosevelt's research into care policy, visit our website: Building the Future of the Care Economy

More from the Roosevelt Institute:

- Building a Vision for Universal Public Childcare: Principles for a Childcare System that Works for Workers and Families (Lena Bilik et al. 2025)
- Whole Child, Whole Day, Whole Year: Assembling a Comprehensive Child Development System for America (Kathryn Anne Edwards 2025)
- Direct Spending on Care Work: Thinking Beyond the Tax Code for Caregiving Infrastructure (Indivar Dutta-Gupta 2025)
- Have You Ever Considered How You Might Transition Your Business to a New Owner? (Elliot Haspel 2025)
- Investing in Care: Exploring an Industrial Strategy for Care Work (Suzanne Kahn 2024)
- The Impact of Private Equity on Nursing Home Care: Recommendations for Policymakers (Melea Atkins 2021)