Commonwealth Cares for Children (C3)

DATA BRIEF • APRIL 2025

The Commonwealth Cares for Children (C3) program provides monthly funding to licensed and funded early education and care programs and afterschool and out-of-school time programs to support operational costs, including compensation and other workforce and quality investments. C3 funds have enabled programs to expand their licensed capacity, recruit and retain staff, and mitigate tuition increases for families. This brief summarizes key findings from recently collected C3 data, including monthly grant applications and a C3 survey fielded in Fall 2024. The C3 survey data includes responses from 7,393 licensed and funded programs, which represents 90% of center-based programs (CBCs), 86% of family child care programs (FCCs), and 94% of programs that participate in Child Care Financial Assistance (CCFA).

Key Takeaways

- The state's licensed child care capacity continues to grow especially in areas that have historically lacked resources and opportunities.
- Programs continue to direct large proportions of C3 funding to workforce-related expenses (68%), including existing payroll and benefits and investments in salary increases.
- There are positive signs of improvement in the stability of the early education and care and afterschool and out-of-school time workforce as educator wages continue to grow (+20%), turnover decreases, and the number of vacant educator positions goes down.
- C3 continues to support affordability for families by mitigating tuition increases, particularly in low- and moderate-opportunity communities.

For more detailed data insights and visualizations, please refer to the Department of Early Education and Care's (EEC) accompanying C3 Survey Data Fall 2024 slide deck.

C3 Participation

The number of programs participating in C3 each month has steadily increased since the program's launch in 2021,[1] reflecting both growth in the number of licensed programs in Massachusetts and ongoing widespread participation in C3. October 2024 had the largest number of monthly applications since the start of the grant (7,726). EEC will continue to examine monthly C3 applications over time to understand trends in participation rates and any potential impact from recent C3 formula adjustments.

Growth of System Capacity and Program Stability

Since the program launched in 2021, C3 funding has played a vital role in supporting the early education and care and afterschool and out-of-school time sector in Massachusetts. Originally designed to keep programs open and accessible to families during the height of the COVID-19 pandemic, C3 has helped both the number of licensed programs and the state's licensed capacity rebound and now exceed pre-pandemic levels.

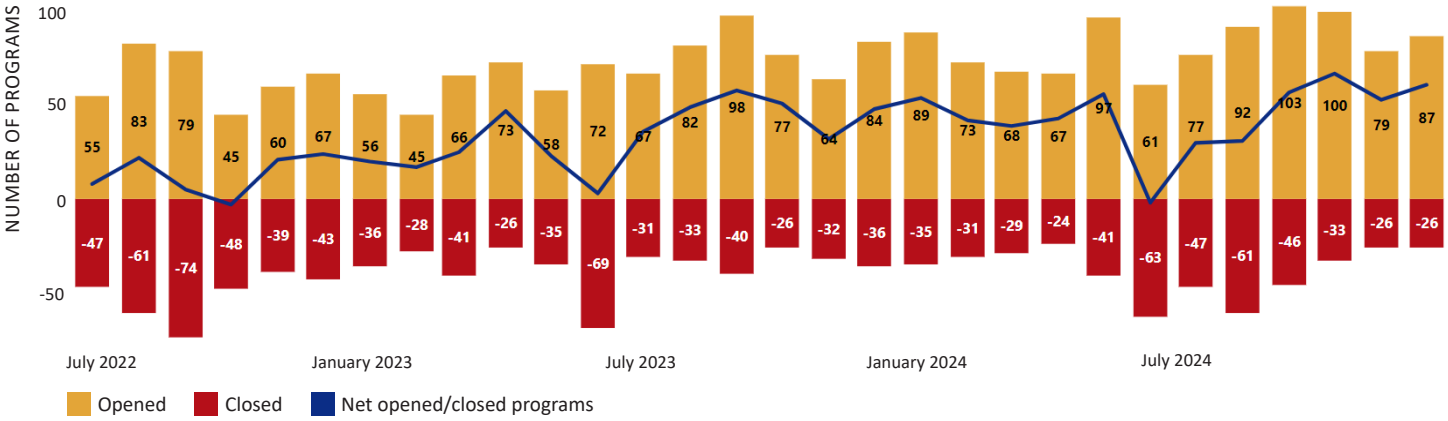
The number of licensed programs in Massachusetts has grown by 5% since 2020, with family child care experiencing the most growth at 7%, compared to a 2% increase in the number of center-based programs. Furthermore, **Figure 1** shows how the number of newly opened programs has outpaced program closures over time, resulting in net positive growth.

The state's licensed capacity has also grown since 2020 (+7%), resulting in a net gain of over 15,000 licensed seats. Licensed capacity by program type has grown at a similar rate over the same period (+7% for both CBCs and FCCs), although differences exist across geographic regions. Center-based program licensed capacity has grown across all regions, with the largest growth in Metro Boston (+10%). Family child care licensed capacity has grown most in the Northeast (+13%) and Metro Boston (+13%), with slower growth in the Central region (1%) and a slight decline in the Southeast (-2%).

[1]There are some seasonal fluctuations in participation rates during the summer because of program operating schedules.

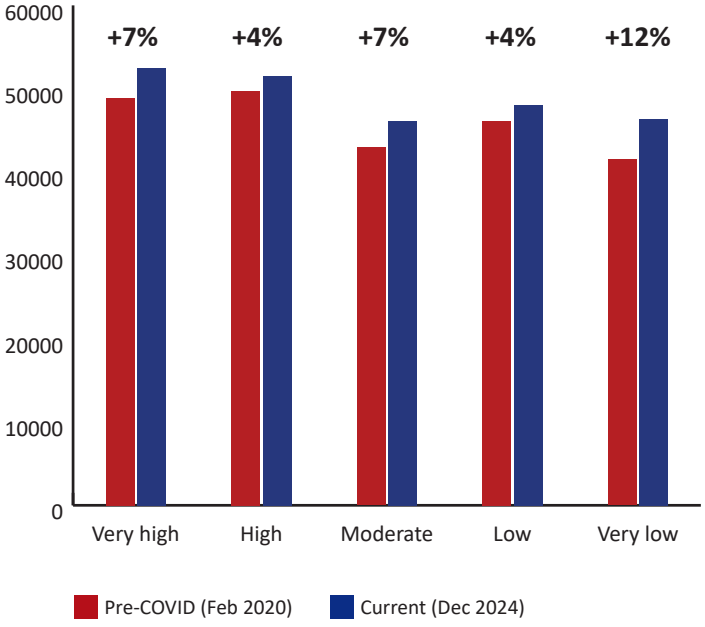
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FIGURE 1: **Number of Newly Opened and Closed Licensed Programs Over Time**



EEC also closely monitors growth in licensed capacity across communities with different resource levels using a place-based metric called the Child Opportunity Index (COI).[2] Encouragingly, in addition to licensed capacity growing statewide compared to pre-pandemic levels, communities in very low opportunity areas have experienced the largest growth, adding close to 5,000 seats since 2020 (+12%). **Figure 2** displays the rate of growth by opportunity level compared to pre-pandemic levels.

FIGURE 2: **Licensed Capacity by COI, 2020 vs. 2024**



Workforce and Program Quality Investments

EEC continues to collect information from programs about how they invest C3 funds. Like previous survey findings, programs report spending a substantial proportion of C3 funds on workforce-related expenses, including compensation. In Fall 2024, programs reported spending over two-thirds (68%) of C3 funds on workforce-related expenses. Programs also reported spending C3 funds on other quality investments, including facilities, capital investments, and new supplies and materials.

Relatedly, wages for center-based early educators and for educators at after school and out-of-school time programs have increased by 20% over the past three years according to C3 monthly application data (see **Figure 3**). However, wages remain relatively low despite this increase; recent research shows that since 2020, educator wages in the child care sector have increased at slower rates than wages in competing occupations.[3]

In addition to educator wages, EEC also collects information regarding educator turnover. Data from the Fall 2024 survey reveal that although the educator turnover rate remains high (26%), it is lower than it was two years prior (32%). The proportion of vacant educator roles in the state also continues to decline, with about 9% of all positions currently open.

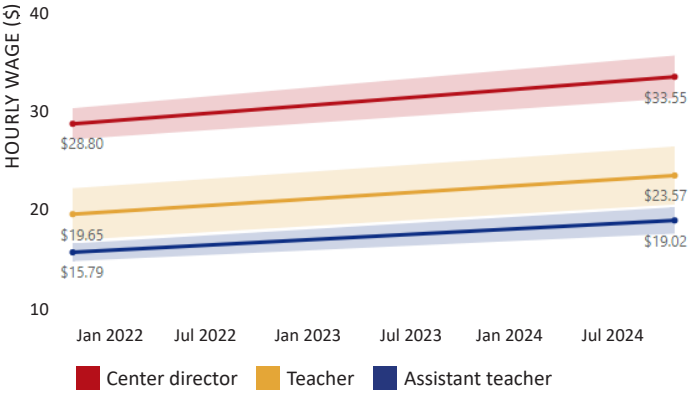
Lastly, EEC collects information about the benefits that programs offer to educators and staff. Access to employer-provided benefits beyond paid time-off remains limited, particularly for FCC educators. Roughly 40% of center-based programs report offering retirement benefits to administrators and educators, while 5% of FCC owners report this benefit.

[2]The Child Opportunity Index is an asset-based, child-centric tool designed to measure variables that are highly correlated to child development outcomes. Visit diversitydatakids.org for more information.

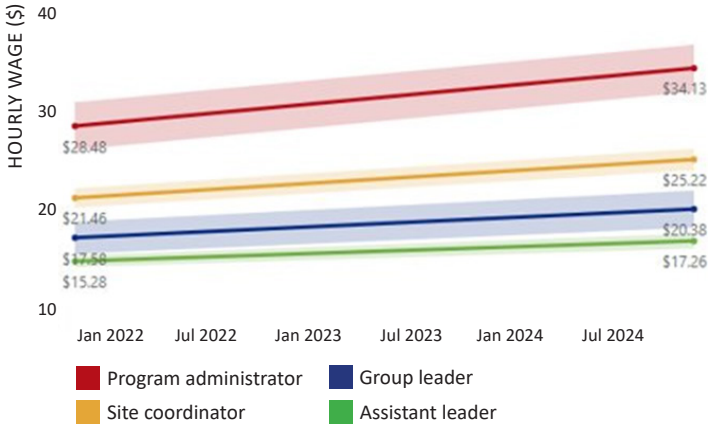
[3]Liebman, J. (2024, October). "An Economic Analysis of the Child Care and Early Education Market in Massachusetts". Harvard Kennedy School Rappaport Institute for Greater Boston.

FIGURE 3: **Center-Based Educator Hourly Wages Over Time (November 2021 - November 2024)**

Average Hourly Wages - Center-Based Early Education



Average Hourly Wages - Center-Based School Age

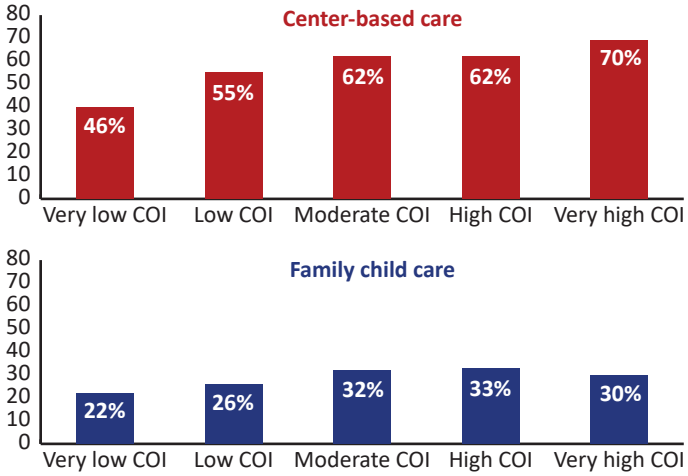


Financial Support for Families

Across program types, programs operating in low- and moderate-opportunity communities are less likely to report having increased tuition in the past 6 months or planning to do so in the next 6 months (see **Figure 4**). There is some variation by program type; a higher percentage of center-based programs (60%) report recent or planned tuition increases compared to family child care (27%).

EEC also collects information on the types of financial supports that programs provide to the families they serve. In line with prior findings, a substantial number of programs (over 5,200 or 70% of respondents) report offering at least one financial support beyond CCFA, such as reduced tuition, sibling discounts, and scholarships.

FIGURE 4: **Tuition increases by program type and COI level**



Looking Ahead

EEC will continue to collect and analyze C3 data to understand the implementation and effects of C3 and monitor the ongoing health of the system. Recent data shows that the state's licensed capacity continues to expand, and programs are both investing in workforce supports and improving family access to affordable child care. EEC will continue to use both data and input from key stakeholders, including programs participating in C3, to inform ongoing adjustments to the funding formula and program as a whole.

Massachusetts Department of Early Education and Care
617-988-6600
mass.gov/EEC

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