Hudson Valley Economic Development Corporation

Childcare the Hidden Economic Infrastructure

The Hudson Valley likes to call itself a place of opportunity. We have major employers, growing downtowns, talented workers, and a quality of life that draws families and businesses alike. But there is a basic piece of infrastructure missing from that story: childcare. Without enough affordable, quality childcare, parents cannot reliably work, employers cannot reliably staff up, and children lose crucial early development opportunities, resulting in a region that cannot fully compete.

Childcare is often described as a family issue. It is that, of course, but it is also a workforce issue and an economic development issue. When childcare is unavailable or unaffordable, the consequences show up everywhere: late arrivals, missed shifts, reduced hours, stalled promotions, and workers leaving jobs altogether. In New York, the economic losses from childcare breakdowns are real, and statewide experts have warned that the system is strained by high prices, staffing shortages, and too few slots. In other words, childcare is not peripheral to the economy. It is one of the systems that makes the economy possible.

The Hudson Valley's own experience makes that point unmistakable. Pattern for Progress found that licensed childcare providers in the region have dropped roughly 27 percent since 2007, while center-based childcare costs for one child can run about $12,000 to $15,000 a year. That is not just a budget problem for families. It is a labor market problem for every employer competing for talent in a high-cost region. When care costs rival a mortgage payment, parents make impossible choices, and businesses absorb the fallout through turnover and lost productivity.

The provider side of the equation is just as important. Childcare businesses operate on thin margins, face demanding regulations, and often struggle to pay wages that can attract and retain staff. That is why supply keeps shrinking even as demand remains high. If the region wants more care slots, it must stop pretending providers can survive on good intentions alone. They need stable funding, access to training, and a workforce pipeline that treats early childhood educators as professionals rather than afterthoughts.

This is where economic development strategy has to become more honest. Local leaders would never tell a manufacturer to open without workers, or a developer to build without roads. Yet too often we expect parents to stay employed while childcare remains scarce, expensive, and fragile. Governor Hochul recently awarded Dutchess County $20M to provide more childcare slots. That kind of investment is in the right direction: build the workforce, strengthen providers, and treat care capacity as part of the region's growth plan.

The policy response should match the scale of the problem. That means expanding affordable access for working families, raising and stabilizing wages for childcare workers, and supporting the creation of new slots in areas where care deserts persist. It also means bringing employers into the solution. Businesses benefit directly when employees can get to work and stay on the job, so they should have a seat at the table in designing regional childcare strategies. Chambers of commerce, economic development agencies, school districts, and local governments all have a stake in whether parents can participate fully in the labor force.

The Hudson Valley cannot build a stronger economy on a broken care system. If we want more labor force participation, more business retention, more family stability, and more regional growth, we must invest in childcare as essential infrastructure. The return is not abstract. It shows up in filled jobs, steadier businesses, and a region that works better for the people who live and work here.

If you want to get engaged in how you can help address this infrastructure gap or just to learn more, please contact Sarah Lee, EVP of Strategic Initiatives at slee@hvedc.com