Statewide Report Findings:
May 6 – May 20, 2026

CARRYING THE COST

How Louisiana Providers Are Covering the Financial Burden of Child Care

Since 2020, the Louisiana Policy Institute for Children (LPIC) and its partners have surveyed child care providers across the state to take the pulse of Louisiana's early childhood education (ECE) sector. Since that time, the survey has become an annual look at how businesses and programs caring for Louisiana's youngest children are faring and what stands in the way of their stability.

The 2026 survey shows that Louisiana providers are again contending with economic shifts, including rising prices for essentials and insurance, as well as challenges in hiring and retaining staff. Despite these obstacles, providers are not charging families more for care. However, that coverage comes at a price. The majority of providers have costs that outpace their revenues at least some months and are struggling to remain financially viable, with the heaviest strain falling on the sector's smallest operators. Louisiana's child care providers face ongoing economic pressures that make it hard to expand or to hire and retain quality staff. Sustained public investment in ECE, and in the educators who provide it, is the only way to build a robust ECE system in Louisiana that can serve all children and their working families.

COSTS REMAIN HIGH AND ARE THE MAJOR CONCERN FOR PROVIDERS

OPERATING COSTS CONTINUE TO RISE

In the past year, nearly two-thirds of responding providers experienced increased costs for food and beverages, other supplies, cleaning supplies, and utilities. Providers are struggling to afford, hire, and retain the staff they need. The share of providers paying higher wages to retain staff rose from 35% to 47% in one year.

EXPERIENCED BUT UNDERPAID STAFF

The typical wages in ECE do not reflect the training and experience most early educators bring to the profession. Nearly two-thirds of providers reported their teachers had at least three years of experience at their current program, yet though providers want to increase wages, they can't afford to. The average pay for ECE teachers remained essentially flat at $28,873 per year, roughly half the average salary of Louisiana's K-12 elementary teachers. Staff turnover remained a major concern.

INSURANCE REMAINS A BURDEN WITH STARK REGIONAL DIFFERENCES

Over 60% of providers experienced increased liability insurance costs and 59% experienced increased property insurance costs in 2026. The average premium increase was roughly $3,200.

PROVIDERS ARE ABSORBING COSTS RATHER THAN PASSING THEM TO FAMILIES

THE SMALLEST PROVIDERS ARE UNDER THE MOST STRAIN

Family child care providers, nearly all of whom operate a single site, were the most likely to say their revenues never cover their monthly expenses and to be very worried about being able to afford to operate. Providers whose revenues do not reliably cover expenses faced the greatest cost pressures, and those operating furthest below capacity were the most worried about staying open.

PROVIDERS ARE ABSORBING COSTS RATHER THAN PASSING THEM ONTO FAMILIES

TUITION DID NOT RISE THOUGH MARGINS ARE THIN

Providers did not raise rates or pass on their financial burden to the families they serve. Weekly average tuition across all age groups fell slightly compared to 2025. Roughly six in 10 providers had not changed their tuition rates in the past year, though providers reporting families behind on tuition payments jumped from 52% in 2025 to 58% in 2026, with the average amount owed per family at $5,735. Nearly 80% of providers said the costs of running their programs outpace their revenues at least some months.

DEMAND FOR CARE EXCEEDS WHAT PROVIDERS CAN CURRENTLY SERVE

MANY PROVIDERS ARE UNDER-ENROLLED

On average, providers served roughly the same number of children as last year (54 children across all ages), but operators are serving only about two-thirds of the children they have the capacity to reach, likely due in part to cost constraints.

WAITLISTS PERSIST, DRIVEN BY CCAP DELAYS

Two-thirds of providers had waiting lists, with the longest lists concentrated among the youngest children, who are typically the most underserved age group across Louisiana.

RECOMMENDATIONS

Louisiana has an opportunity to become one of the best places in the country to raise a family and build a career. Reaching that goal, however, depends on child care. When families have access to high-quality, affordable ECE, parents can stay in the workforce, and children get the strong start they need to thrive academically and developmentally. To build a child care system for Louisiana's families, children, and economy, we urge policymakers to:

- **Invest in the early educators our children depend on.** Louisiana cannot deliver high-quality care without a stable, well-supported workforce. That means raising compensation and benefits for early educators, including extending categorical CCAP eligibility to child care professionals, moving wages closer to those of their K-12 counterparts, and expanding scholarships for early educator credentials.
- **Commit to sustainable, long-term funding for early childhood education.** Our state has built the infrastructure to serve more children and support more working families, but chronic underfunding keeps in-need parents out of the workforce, leaves classrooms unfilled, and forces providers to operate on razor-thin margins. ECE deserves sustainable funding.
- **Convene a task force to tackle the rising cost of business insurance for providers.** In recent years, child care providers have faced steep increases and coverage restrictions in liability and commercial property insurance. Louisiana needs to understand these pressures and identify real solutions before they force more providers to close their doors.