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February 18, 2026 11:03 AM | 23 HOURS AGO

Op-ed: These small businesses hold the key to child care for New Yorkers

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The day care center Sequence for Cidz recently opened in an Upper West Side building, allowing the property to take advantage of a seldom-used tax credit.

For too long, New York City has asked working families to do the impossible: stay afloat in one of the most expensive cities in the country while piecing together child care that is unaffordable, unreliable, or unavailable.

It has also asked the impossible of the people who make child care possible, home-based providers. These small business owners operate on razor-thin margins, absorb unpredictable policy shifts, and deliver high-quality care families depend on, often without earning enough to support their own families.

Mayor Mamdani’s move to invite new and home-based providers back into the system is an important step. And with the state’s historic proposal to invest \$4.5 billion in child care and expand access for nearly 100,000 children, New York has an opportunity to change course. But funding alone will not make universal child care a reality.

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If the city is serious about universal child care, start with these three steps.

First, ensure families have multiple care options. This includes home-based programs, community-based centers, and care provided by family members, recognizing the full range of care arrangements families rely on.

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Second, invest in child care providers as the small businesses they are. Reduce unnecessary administrative burdens, expand shared services and provider networks, and fund start-up, sustainability, and retention supports. Just as importantly, pay the true cost of care. Providers should be reimbursed based on what quality care actually costs—not what families can afford—so they can cover expenses, pay staff fairly, and remain open.

Third, make the system navigable for families. Confusing eligibility rules lock parents out of care they technically qualify for. Tools like NYC Child Care Navigator and PaidLeave.ai show that when benefits are easy to understand,

participation rises.

The urgency is clear. Today, 80% of families can't afford child care, with costs exceeding \$40,000 a year. Families with young children are twice as likely to leave the city because care is inaccessible. In 2022, the child care shortage cost New York City an estimated \$23 billion in lost economic activity. Nationally, nearly 500,000 women left the workforce in 2025, most of them mothers of young children pushed out by child care challenges.

But the same system failing families is also failing the small businesses that provide care.

Family child care (FCC) providers are licensed educators who run small programs out of their homes, often serving families who need flexible hours and care that reflects real working schedules. In New York City, there are 6,500 licensed FCC programs (representing 65% of all licensed child care) largely run by immigrant women and women of color.

Yet many earn the equivalent of \$7 to \$10 an hour after expenses. Because safe, high-quality care requires low staff-to-child ratios, operating a child care program is inherently costly—yet these small businesses receive little public investment. As a result, one quarter of New York City's child care workforce lives in poverty, and 43% nationwide rely on public assistance.

Consider Tiffany Taylor, owner of Baby Play Place Preschool in Brooklyn, who provides early learning for nine children in a safe, home-based setting. But Tiffany's business is struggling. Shortages in the city's child care assistance program recently forced her to lose five children. At the same time, rising minimum wage requirements have increased her staffing costs. "I often don't take a paycheck so I can pay my staff first," she says. "That makes it harder to stay in business."

We have seen this before. When New York City rolled out free pre-K for four-year-olds, access expanded—but infant and toddler care shrank as providers lost the older children whose tuition helped offset higher costs. Since 2014, the city has lost 1,400 family child care businesses.

Any effort to scale universal child care must invest in the people who make it possible. Early educators like Tiffany are already holding communities together. Building universal child care on their foundation will create a system that is inclusive and built to last.

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