Early Care & Education Consortium

To Our Partners in Expanding Access to and Investment in Childcare:

Every family deserves access to safe, affordable, high-quality childcare where their child can learn and thrive. Every educator deserves access to the support and opportunity to build a rewarding career. And every community deserves a strong network of childcare providers that meets the needs of working families and local employers.

Yet for too many American families, access to childcare remains out of reach. Parents face difficult decisions about whether they can afford to work, pursue new opportunities or remain in the workforce. In 2025, an estimated 46% of children under age six lived in childcare deserts, where the supply of licensed care falls far short of community needs.

Closing this gap requires strengthening our nation's entire childcare system—not limiting who can be part of the solution.

America's childcare system depends on a diverse network of public, nonprofit and for-profit providers, including home-based and faith-based programs, independently operated centers and licensed multi-site organizations. Each plays an important role in serving families, supporting educators and strengthening local economies. Together, they form the foundation of a mixed-delivery system that gives families choices and helps communities meet growing demand.

The Early Care and Education Consortium (ECEC) represents licensed, multi-site early care and education providers across the country, from locally owned franchise businesses and smaller regional operators to large national organizations. While our members differ in size and structure, they share a commitment to delivering high-quality early learning experiences, supporting educators and expanding access to dependable care for working families. ECEC members serve families through a mix of private-pay and publicly funded programs, including childcare subsidy, Head Start and state pre-K where state and local systems enable their participation.

We commissioned this independent research from Tyton Partners to bring greater transparency, data and evidence to the conversation about the role and contributions of licensed multi-site childcare providers.

The findings offer an important perspective on a significant segment of America's early childhood education system. The 21 participating ECEC member companies collectively represent approximately 7,000 centers serving an estimated 731,000 children. Their responses demonstrate meaningful investments in educator compensation and benefits, program quality, safety and the infrastructure needed to deliver consistent, reliable care at scale.

Among the report's key findings:

- **Investing in educators:** Participating providers reported average lead-teacher wages above the childcare industry median, alongside broad access to health insurance, retirement benefits, paid time off, professional development and educational assistance.
- **Delivering high-quality care:** More than one in four participating centers (26.5%) hold NAEYC accreditation—approximately five times the estimated national rate. More than one-third (35.7%) hold at least one recognized early childhood accreditation.
- **Going beyond minimum standards:** Nearly two-thirds of participating providers reported exceeding licensing requirements across most or all of their centers, with additional investments in safety, staff training, classroom resources and educator development.

These findings challenge assumptions about the relationship between provider size, ownership structure and quality. They also underscore an important reality: financial sustainability and high-quality childcare are not competing priorities. A financially sustainable childcare system is essential to attracting and retaining great educators, investing in quality and ensuring families have reliable access to care.

At the same time, this research does not diminish the significant challenges facing our field. Childcare remains unaffordable for too many families, while providers face rising operating costs, workforce shortages and public reimbursement rates that often fall short of the true cost of delivering quality care. With labor accounting for an estimated 60% to 80% of operating expenses, providers have limited ability to meaningfully increase educator compensation without additional financial support.

These challenges cannot be solved by any one type of provider. They require sustained public investment, thoughtful policy and a shared commitment to expanding access while strengthening quality and accountability across the entire sector.

As policymakers consider the future of childcare in America, we encourage an approach that prioritizes child outcomes and family needs over ownership structure. The most important questions should be whether providers deliver safe, high-quality care; support and invest in their educators; meet the needs of families; and expand access in the communities they serve. The goal should be to give parents meaningful options while holding every provider to clear, evidence-based expectations for quality, safety and accountability.

Tax status, organizational size and ownership model alone do not determine a provider's commitment to children or its ability to deliver quality care. Public policy should recognize and support providers that demonstrate these commitments, regardless of how they are structured.

We hope this research contributes to a more informed, constructive conversation about the future of childcare in America. ECEC and its members welcome continued engagement with lawmakers, advocates, educators, families and other stakeholders who share our commitment to strengthening early childhood education.

Our collective goal should be clear: Build a childcare system that works for more families, supports the educators who make it possible and gives every child the opportunity to thrive.

Sincerely,
Jo Kirchner
Board Co-Chair, Early Care and Education Consortium

Chad Dunkley
Board Co-Chair, Early Care and Education Consortium

A Closer Look at ECEC Providers: Workforce, Quality, and the Economics of Child Care

November 2026

EXECUTIVE SUMMARY

Large, multi-site early care and education providers are frequently described from the outside and rarely measured from the inside. These providers serve a substantial number of children, families, and educators, yet comparable information about their operations is limited. This report contributes new evidence from 21 Early Care and Education Consortium (ECEC) member companies, representing an estimated 7,004 centers, licensed capacity of roughly 1.07 million children, and approximately 731,000 children enrolled, and it identifies the outcomes that the present data cannot yet establish. It draws on a survey of those companies and places each member figure next to the most directly comparable public benchmark. Five findings stand out.

1. ***ECEC members invest in their workforce above the private-sector norm***. Member organizations report average lead-teacher and aide wages above the corresponding national medians for the childcare industry. They offer medical insurance, retirement plans, and paid time off at rates well above the private-industry baseline, and nearly all offer a childcare tuition discount to staff. At the scale of the responding membership, each additional dollar an hour in wages represents between roughly $170 million and $230 million a year in additional payroll before taxes, which is the arithmetic that governs how quickly compensation can rise.
2. ***Members participate heavily in external quality systems***. More than a third of member centers hold at least one recognized early childhood accreditation and about a quarter hold NAEYC accreditation, against roughly five (5) percent of center-based programs nationally for NAEYC. Approximately two-thirds of member centers participate in a state quality rating system. Safety and security are the areas where members most often exceed state licensing requirements; 66 percent of member companies exceed licensing requirements across most or all centers, with 92 percent reporting investments above minimum requirements in safety and security and 79 percent doing so in staff training.
3. ***The membership is not a single private-pay block***. Members serve children through childcare subsidy, Head Start, and state pre-K in varying combinations, and participation in publicly funded pre-K classrooms ranges from none to nearly all a provider's centers. This range reflects in large part how each state structures delivery rather than being based solely on provider preference. The distribution of member participation in publicly funded programs is inconsistent with any characterization of these operators as serving only higher-income families.
4. ***Operating economics are tight and are set largely outside the provider's control***. Labor accounts for an estimated 60-80 percent of operating cost across provider types. Families are increasingly unable to absorb the tuition increases that rising operating costs would require, so annual tuition increases have moderated even as costs rise.
5. ***Members invest above the private-sector norm in pay, benefits, and professional development, yet workforce stability nonetheless remains the respondents' and the field's unresolved problem***. Member retention implies annual turnover in the mid-30s. The national evidence on turnover is measured on a different basis and for a differently defined population, so no like-for-like comparison can be constructed. Why members' above-market investment has not yet produced a measurable stability advantage is a question the survey raises but does not answer.

SECTION 0. ABOUT THIS REPORT AND THE DATA

This report presents an independent analysis of the Early Care and Education Consortium (ECEC) membership, prepared by Tyton Partners Consulting ("Tyton Partners") at ECEC's commission. ECEC is a national trade association representing large, multi-site providers of early care and education, whose members operate center-based programs across the United States and participate in both private-pay and publicly funded delivery. It draws on two distinct bodies of evidence: a structured survey of ECEC member organizations and a set of public benchmarks assembled from federal statistical sources and other third-party data. Its purpose is to describe, accurately and with its limits visible, how this set of for-profit, multi-site early childcare and education (ECE) providers operate, what it invests in program quality, how it compensates its workforce, and where it sits within the broader field.

The analysis is organized around four questions ECEC set at the outset:

- What do member organizations invest, per child and per center, in program quality, including investment in accreditation and state quality-system participation?
- How does workforce compensation at member organizations, including wages, benefits, and professional development, compare to publicly available benchmarks, and how does it compare to the wider field?
- What operational infrastructure, including safety and compliance systems, training, curriculum, technology, and accreditation, do member organizations maintain?
- How do member organizations participate in and are affected by public funding streams, including public pre-K, Head Start, and childcare subsidy?

Together, these questions examine how organizational resources and scale are reflected in program-level practice: the quality standards providers maintain, the compensation and supports available to educators, the systems that promote safe and consistent operations, and the role providers play in publicly funded delivery. They are intended to assess the observable practices and investments that shape how providers serve children, families, educators, and communities.

The member figures in this report are derived at the level of the responding company rather than the individual respondent. Each brand's responses are first consolidated into a single brand-level value, and brand values are then combined using scale weights: by number of centers for questions about program and center practices, and by the number of children served for questions about workforce compensation and staffing. This approach prevents a large operator and a small one from counting equally where scale is material to the question. The full methodology is set out in Appendix A.

Each member figure is placed against the most directly comparable public benchmark available, drawn wherever possible from primary sources, for example, Bureau of Labor Statistics for wages and benefits and federal early-childhood data for quality-system participation. Where a benchmark measures a different population or construct than the survey, such as the national incidence of a practice versus its prevalence among these operators, the difference is stated rather than smoothed over. Benchmarks are documented in Appendix B with source, release vintage, and a note sufficient for another analyst to reproduce each figure.

A note on terms. This report uses "private" to mean privately operated, not privately funded, and "for-profit" to mean tax status rather than clientele. Privately operated providers include home-based and family childcare, independent single-site centers, small multi-site operators, and large multi-site corporate and franchise operators, with franchisees that operate as small businesses. All of these settings serve families paying full tuition alongside families whose care is supported by childcare subsidy, Head Start, or state pre-K. Substantial numbers of children are also cared for in license-exempt settings, by family, friends, and neighbors, or by a parent at home, none of which appears in provider-based counts. The ECEC membership analyzed here is a subset of one segment: large, licensed, multi-site, privately operated providers.

A note on counting. The survey unit is the responding company. Several companies operate more than one brand, and where they do, the company is the unit of analysis. Several companies received responses from multiple respondents, including franchisees. The report therefore distinguishes among 21 companies, 58 respondents, and the estimated 7,004 centers those companies represent. Member percentages are weighted by scale, not by respondent count, so a franchisor with 600 centers does not carry the same weight as a single-site franchisee. Appendix A documents the methodology.

Tyton Partners designed the survey instrument, conducted the analysis, and produced every member figure and benchmark in this report. The analysis describes what the data show, and where the evidence is strong, qualified, or insufficient, so that a policy audience can trace every figure to its source.

SECTION 1. THE STATE OF THE FIELD

The private early-care market enters this period from a very different place than it occupied five years ago. The pandemic-era surge of public support has receded and beneath it a set of slower-moving forces – demographic, economic, and political – has been quietly reshaping who the customers are, where they live, and what it costs to serve them. None of these forces is new on its own; what is new is that they are converging at the same moment. This section traces them and how they connect, as the backdrop against which the member data in Sections 2 and 3 should be read.

1.1 A market in reset

The ECE sector is large and, before the pandemic, had been growing steadily. Through the 2010s the private early-care market expanded on the strength of rising female labor-force participation, rising household incomes at the top of the distribution, and a stable population of four-year-olds; growth was incremental rather than dramatic. The pandemic interrupted that pattern twice over, first by closing centers and collapsing enrollment, then by injecting an unprecedented volume of federal relief that supported both providers and families. The early childhood education market is on the order of $50 billion and expanded at ~7 percent a year after 2019 – and faster still at the premium end; however, this figure is flattered by pandemic-era stimulus. As that support wound down, the sector has entered a reset, and a return to underlying fundamentals, in which operators are sorted by their own economics rather than lifted by a rising tide.[1]

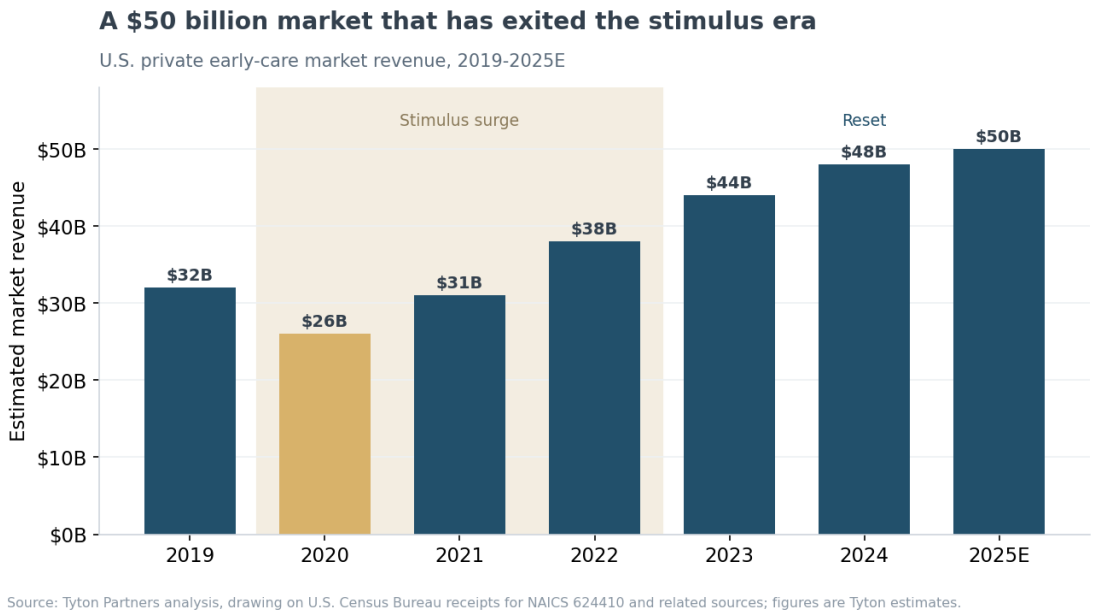


Exhibit 1.1. U.S. private early-care market revenue, 2019-2025E. Source: Tyton Partners analysis.

[1] Market size and growth: Tyton Partners analysis, drawing on U.S. Census Bureau receipts for NAICS 624410 (Child Care Services) and related sources; the roughly $50 billion size and the growth rates are Tyton estimates.

Underlying the reset sits a demographic headwind that will not reverse this decade. The U.S. total fertility rate fell to 1.60 in 2024, an all-time low and well below the level needed to hold the population steady. The number of births has declined from a peak of ~4.3 million in 2007 to ~3.6 million in 2024, a decline of ~16 percent. Births have been broadly stable since 2020, but at that materially lower level, which is why the under-six population has held roughly flat while the long-run trend remains downward. Fewer children are being born each year, and that arithmetic flows directly into future enrollment. The one qualification is that births have held up better among higher-income families, a thread the next section picks up.[2]

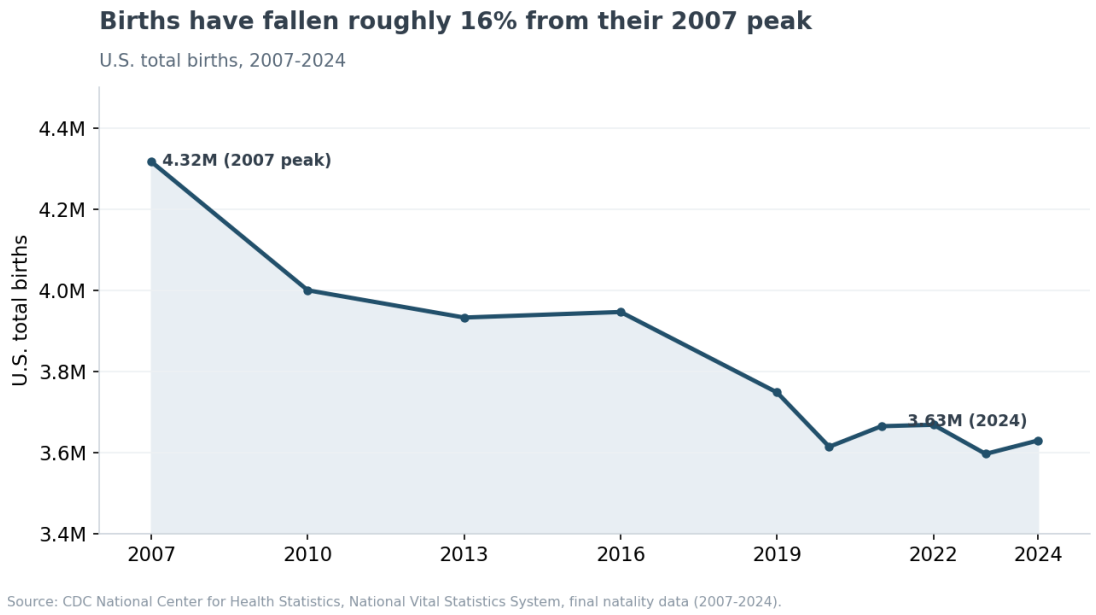


Exhibit 1.2. U.S. total births, 2007-2024. Source: CDC National Center for Health Statistics, NVSS.

1.2 Who pays for private early care, and how demand is shifting

Private early care serves a broad range of families, and the mix has been shifting. Families paying full tuition sit alongside families whose care is supported by childcare subsidy, Head Start, or state pre-K, and the same center often serves a mix of the two. At the same time, income and wealth have concentrated at the top of the distribution: the wealthiest one percent of households held an estimated 31.6 percent of U.S. wealth in late 2025. Wage growth has run at broadly similar rates across income groups in percentage terms, but on larger base incomes that produces far larger absolute gains for higher earners. Higher earners have also been moving, on net, toward Florida, Texas, and the Southeast, which redistributes demand for childcare geographically. The composition of that demand is changing faster than its overall size.[3]

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[2] Births and fertility: CDC National Center for Health Statistics, Data Brief No. 535 (July 2025). The total fertility rate fell to 1.599 in 2024, an all-time low and below the 2.1 replacement level; there were 3,628,934 births in 2024, down from a 2007 peak of about 4.3 million.

[3] Wealth share: Federal Reserve, Distributional Financial Accounts, Q3 2025 (top 1% = 31.6%; FRED series WFRBST01134). https://fred.stlouisfed.org/series/WFRBST01134. Wage growth: Atlanta Fed Wage Growth Tracker, 2025 - percentage growth has run

These trends matter for the private-pay portion of demand. Roughly 22 million children are ages birth to five, and an estimated 54 percent live in households earning $100,000 or more. That group is growing while the overall child population is flat: from 2020 to 2024, children under six in households earning $100,000 or more increased ~6 percent a year and those in households earning $150,000 or more ~9 percent a year, while the total under-six population barely moved. The practical consequence is not that private providers serve only affluent families, which the member data in Section 2 contradicts, but that the full-tuition segment of the market is becoming a larger share of a shrinking whole, while families who rely on subsidies depend on reimbursement rates set by policy rather than by price. Federal childcare subsidies reach ~16 percent of the children eligible for them under federal rules.[4]

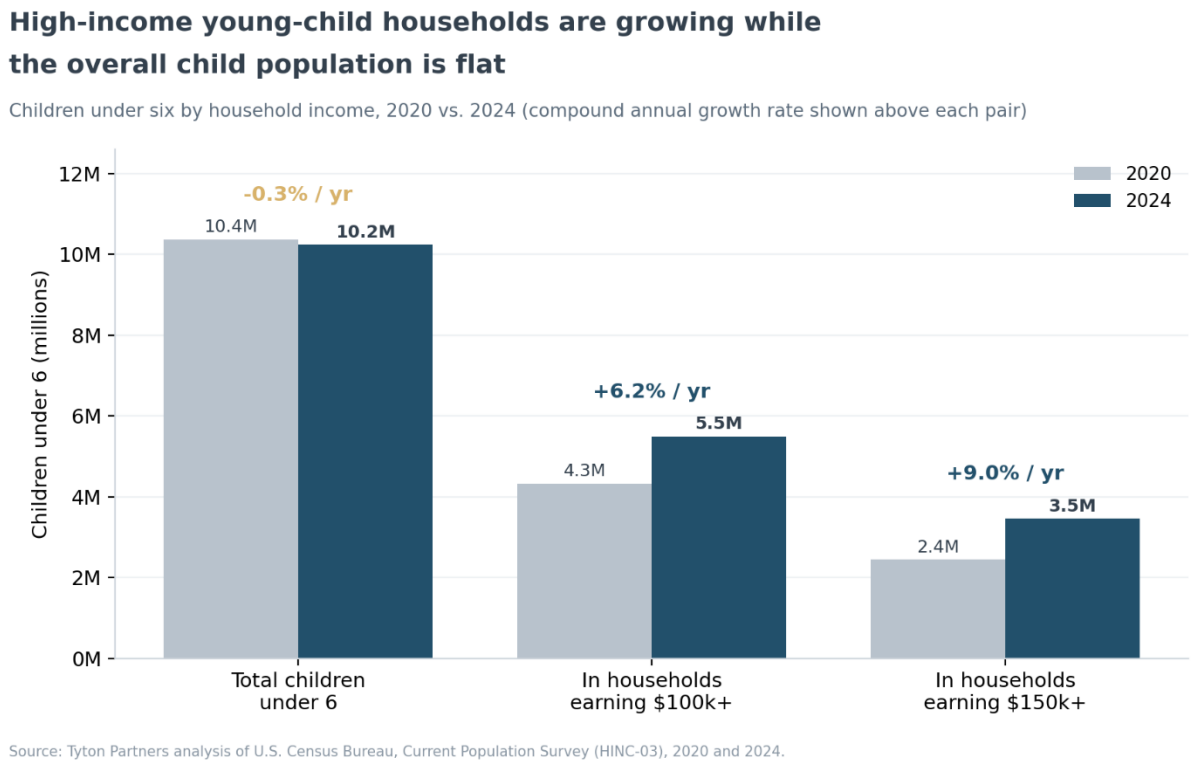


Exhibit 1.3. Children under six by household income, 2020 vs. 2024. Source: Tyton Partners analysis of U.S. Census Bureau CPS (HINC-03).

broadly comparable across income tiers, but on higher base incomes it produces larger absolute gains for higher earners. Inflation: lower-income households have faced modestly higher cumulative inflation (BLS R-CPI-I, experimental). Migration: IRS Statistics of Income Migration Data, 2022-2023.

[4] Child population: U.S. Census Bureau, Population Estimates Program, Vintage 2024, table NC-EST2024-AGESEX-RES (https://www.census.gov/data/tables/time-series/demo/popest/2020s-national-detail.html) - children ages birth to five total about 22.1 million (under 3, 10,740,250; ages 3-4, 7,613,128; age 5, 3,746,965). Household-income share and growth: Tyton Partners analysis of Census microdata (ACS PUMS and CPS HINC-03) - an estimated 54% of children under six live in households earning $100,000 or more, and from 2020 to 2024 children under six in households earning $100,000+ grew about 6.2% a year and those in households earning $150,000+ about 9.0% a year, while the total under-six population was essentially flat (about -0.3% a year). Parent preferences: Tyton Partners 2025 ECE Voice of Parent Survey (proprietary).

1.3 Why enrollment is softening

Enrollment has been softening across the field for overlapping reasons rather than any single one. The birth-rate decline steadily shrinks the pool of children. Consumer confidence has been uneven. Public pre-K is drawing four-year-olds into publicly funded settings in a growing number of states. Return-to-office patterns, which anchor employer-sponsored care, remain inconsistent. And the geographic migration of higher earners is redistributing demand away from some markets where operators built their footprints. These pressures compound, and they act on price as well as volume: softer enrollment reduces the room to raise tuition at the same time that it reduces the base over which fixed costs are spread.

1.4 How the market is structured, and what it costs to operate

The competitive structure of the field is widely misunderstood. Large for-profit operators are a small part of a market still dominated by independent providers, home-based care, and public programs.

The 50 largest private operators account for licensed capacity of ~1.2 million children, or about 5.4 percent of the roughly 22 million children under six in the United States. Public programs serve large numbers of children: state pre-K ~1.75 million, Head Start ~806,000, and childcare subsidy ~1 million children under six in an average month. These figures overlap rather than being mutually exclusive, because children funded through state pre-K, Head Start, or subsidy are often eligible for and receive assistance through multiple public funding streams and are therefore frequently served in privately operated centers. Neither set captures children in license-exempt care, in the care of family, friends, and neighbors, or at home with a parent. Several of the largest operators carry private-equity investment, and those providers also serve substantial numbers of children through state pre-K and childcare subsidy, so the categories of “private” and “publicly funded” overlap considerably in practice. The small national share of the largest operators is relevant for another reason: they are not a substitute for the broader mixed economy of home-based, independent, nonprofit, school-based, and public programs. They are one delivery channel within it.[5]

The economics of operating a center are defined by labor. Wages and benefits account for an estimated 60 to 80 percent of operating costs, a share that holds across provider types rather than being specific to large operators, and the share rises for infant and toddler care because required staffing ratios are higher. Compensation has risen every year since 2020. The national median wage for childcare workers reached $16.82 an hour across all industries in May 2025, and $16.43 within the childcare industry itself.[6]

Families are increasingly unable to absorb the tuition increases that rising costs require. The actual cost of providing care continues to rise faster than overall inflation. A large majority of operators report rising insurance premiums, yet annual tuition increases have moderated from the 5-to-7-

[5] Program shares: Head Start Program Facts: Fiscal Year 2024, (about 806,000 children); NIEER State of Preschool 2024 (state pre-K 1,751,109 children); CCDF childcare subsidy served approximately 1 million children under six in an average month (ACF preliminary FY2023); company 10-K filings; HINGE Advisors 2026. Private-equity ownership: Congressional Research Service, Report R48252, October 2024.

[6] Labor cost share: Center for American Progress (60-80% of operating costs); see Appendix B, section 6. Compensation trend: BLS Employment Cost Index. Wage: BLS Occupational Employment and Wage Statistics, May 2025 (childcare workers, cross-industry median $16.82 per hour; $16.43 within Child Care Services, NAICS 624400).

percent range toward 3-to-5 percent as families grow more price-sensitive. This squeeze is not unique to large operators; it applies across provider types, and it falls hardest where reimbursement rather than tuition sets the price, because subsidy and public pre-K rates rarely cover the full cost of care.[7]

1.5 What it costs to run a center

Because the sector's economics are frequently asserted rather than examined, it is worth setting out the cost structure directly. Labor is the dominant line, at an estimated 60 to 80 percent of operating cost. The remainder is largely fixed and largely non-discretionary: occupancy, whether rent or mortgage, along with utilities and maintenance; food service; insurance, including liability coverage that has been rising sharply; licensing, accreditation, and compliance costs; curriculum and classroom materials; technology and administrative systems; and staff training. Very little of this scales down when enrollment falls, which is why occupancy is the single most important determinant of a center's viability.[8]

Regulation interacts with this structure in ways that are not always anticipated. Requirements that raise staffing ratios, increase square footage per child, or add qualification standards each improve some dimension of quality and each raise cost per child or reduce licensed capacity, or both. Because capacity and ratios are fixed by state regulations rather than chosen by the operator, the cost has to be absorbed in tuition, in reimbursement, or in margin. Where reimbursement is set administratively and tuition is constrained by what families can pay, it is absorbed in margin.[9]

On margin itself, the only audited public window into operator economics is the filings of the two publicly traded operators. Those filings do not describe a high-margin business. For fiscal 2025 the two reported net margins of negative four (4) percent and positive seven (7) percent on revenues of approximately $2.7 billion and $2.9 billion respectively. Where one of the two discloses its center-based childcare operations as a separate reporting segment, that segment earned an operating margin of ~3 percent before interest, taxes, and depreciation. The survey did not collect margin data from members, so no member-level figure is reported here; the public filings are offered as the best available evidence on the economics of operating at scale.[10]

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[7] Childcare prices: BLS CPI, day-care and preschool series; childcare inflation ran about 5.2% year over year in late 2025 versus about 3.0% headline CPI (Bank of America Institute analysis of BLS data, October 2025). Insurance and tuition trends: HINGE Advisors 2026 (industry survey). Pricing by ownership: DOL National Database of Childcare Prices, 2022, adjusted to 2024 dollars; the large-chain blended rate is a Tyton Partners calculation from the FY2024 SEC filings of the two publicly traded operators.

[8] Labor cost share: Center for American Progress (60 to 80 percent of operating cost). The remaining cost categories are descriptive; the survey did not collect a member cost breakdown. See Appendix B, section 6.

[9] This paragraph describes cost mechanics rather than survey findings. The direction of each effect follows from fixed ratio, capacity, and qualification requirements; the survey did not measure the cost of any specific regulatory change. It is not an argument for lower staffing ratios or reduced standards, and the report takes no position on the level at which those standards should be set.

[10] Fiscal 2025 results for the two publicly traded operators, from company earnings releases dated March 12, 2026 and February 12, 2026 and the associated SEC filings. Revenue of $2.73 billion and $2.93 billion; net loss of $112.9 million and net income of $193.1 million respectively, giving net margins of approximately negative 4 percent and positive 7 percent. Segment operating margin is drawn from the segment disclosure of the operator that reports center-based child care separately: segment revenue of $2.08 billion and segment income from operations of $66.1 million. Net income and revenue are GAAP measures. Segment-level EBITDA and net margin are not disclosed and are not derived here.

1.6 The policy environment

Policy has become a decisive variable, and it varies sharply by state. Public pre-K is expanding: 44 states plus the District of Columbia now fund some program and about 1.75 million children are enrolled. Its effect on private operators depends almost entirely on the delivery model. Public school-only approaches, as in California's transitional kindergarten, tend to pull four-year-olds out of private centers, with consequences for the viability of providers of every type, not only large ones. Mixed-delivery models that provide funding to private providers and the public schools, as in Colorado's universal preschool program, Michigan's Great Start Readiness Program, and, over a longer period, Florida's Voluntary Prekindergarten program, can sustain or expand private enrollment. The distinction is not always visible in statute: a number of programs described as mixed delivery restrict private participation in practice, whether through district-level discretion over partnering, rate structures that do not accurately cover costs, or administrative requirements that effectively exclude community providers. In addition, federal policy moved on one front in 2025, when the 45F employer childcare tax credit's rate rose from 25 percent to 40 percent (and 50 percent for small businesses), and its cap rose from $150,000 to $500,000 (and $600,000 for small businesses), with third-party arrangements newly available. Core federal childcare funding was enacted at $12.38 billion for the Child Care and Development Fund, combining $8.83 billion in discretionary CCDBG funds with $3.55 billion in mandatory Child Care Entitlement to States funds, and at $12.357 billion for Head Start.[11]

Ownership structure has also drawn attention. A 2024 Congressional Research Service brief documented private-equity investment among the largest for-profit operators, and the Urban Institute has called for research into private-equity impact on price and quality. Read alongside the structural picture above, the scale of what is being scrutinized is worth keeping in view: the largest operators together account for a small share of the children served nationally, and the cost pressures described in this section apply across provider types. Their limited share of the overall market also constrains the extent to which large providers can determine sector-wide prices or conditions. The measures examined in this report including investment in quality systems, educator compensation and development, safety and compliance infrastructure, family-facing operations, and participation in public funding, provide a more direct basis for evaluating provider performance across the field.

[11] State pre-K: NIEER State of Preschool 2024 (44 states plus DC; 1,751,109 children; 37% of four-year-olds); California TK and mixed-delivery models per NIEER and ECS. Federal policy: 45F employer childcare credit expansion (IRS; CRS IF12379, 2025) and enacted FY2026 appropriations, Further Consolidated Appropriations Act, 2026 (P.L. 119-75), February 3, 2026: CCDF total $12.38B, comprising CCDBG discretionary $8.831B and Child Care Entitlement to States mandatory $3.55B; Head Start $12.357B. Scrutiny: CRS R48252 (October 2024); Urban Institute, "What We Do and Don't Know About Private Equity Investment in Early Childhood Education," Urban Wire commentary, January 28, 2026.

SECTION 2. THE MEMBER BASE IN CONTEXT

This section reports what the member survey shows, placing each finding next to the most comparable public benchmark. The figures are weighted as described in Section 0: by number of centers for program and center questions, and by number of children served for workforce questions. Benchmarks and their sources are documented in Appendix B. Where the survey and a benchmark measure different populations or constructs, the difference is stated in the text.

2.1 Who the members are

The responding membership comprises 21 companies and 58 individual respondents. The company count is the unit used throughout. Together the responding companies represent an estimated 7,004 centers, and licensed capacity of ~1.07 million. Applying members' reported center utilization to that capacity implies approximately 731,000 children enrolled. The counts of companies, respondents, and centers are distinct and are reported separately throughout.

The membership spans a wide range of scale, from operators with fewer than 15 centers to the largest at ~1,500. Size tiers used in this report are defined by center count: "small" is fewer than 100 centers, "mid-sized" is 100 to 499, and "large" is 500 or more. Ownership structure differs as well: among franchisor respondents, most locations are franchisee-owned rather than corporate-operated, which means much of the capital invested in these networks comes from independent local business owners rather than from the parent organization. Two scale inputs remain provisional: 1) the center count for the largest operator may include program types beyond center-based early learning, which would overstate its early-learning footprint and, because figures are scale-weighted, pull weighted averages toward that operator; and 2) one member's count is self-reported rather than matched to the external register. Both are documented in Appendix A.

Members also report the capital they put into the sector, though on terms that understate the total. Among respondents who provided a figure, reported 2025-26 investment in new center construction ranged from under $1 million to more than $20 million, with a similar distribution for acquisitions and for other capital spending; ~40 percent of respondents answered that they did not know, since capital planning typically sits outside the function that completed the survey, and franchisors were instructed to report corporate-level investment only, excluding franchisee capital. Because most locations in franchise networks are franchisee-owned, the capital deployed by independent local operators is not captured here at all. The survey does not support a per-center or per-child investment figure, which would require capital and operating expenditure on a common denominator. Center counts and children-served figures are estimates, drawn from members' own reporting and, where available, matched to the HINGE 2026 operator report.

2.2 Quality investment and signals

Member accreditation is measured at the level of the individual center. Across 7,004 member centers, 26.5 percent hold NAEYC accreditation and 35.7 percent hold at least one recognized early childhood accreditation, including NAEYC alongside NECPA, the National Accreditation Commission, Cognia, APPLE, and the Montessori accrediting bodies. The national reference point for NAEYC is ~5 percent of center-based programs, so member centers are accredited at more than five times the national rate on a like-for-like, center-to-center basis. No national count exists for the

broader any-accreditation measure, so the 35.7 percent figure is reported on its own rather than ranked.[12]

Because accreditation and quality-system participation are often treated as labels rather than as investments, it is worth stating what they require. NAEYC accreditation is a voluntary, multi-year process, renewed on a cycle, that assesses a program against standards covering curriculum, teaching practice, assessment of child progress, staff qualifications and ongoing professional development, family and community partnership, physical environment, health and safety, and program leadership. It requires self-study, documentation, external verification visits, and a fee, and it typically requires staffing and facility investments beyond state licensing requirements. State quality rating and improvement systems operate on a similar logic at the state level, tying a published rating to observed classroom quality, staff credentials, ratios, and family engagement, and in many states linking that rating to subsidy reimbursement. The two systems are also formally linked: a majority of state systems, 23 of 42, offer nationally accredited center-based programs an automatic or accelerated pathway to a rating, and 17 do the same for programs meeting Head Start standards. Participation in either system is therefore a recurring operating cost undertaken to meet an external standard. Verification is real rather than nominal: 83 percent of state systems verify program documentation through outside entities and 81 percent conduct an onsite observation as part of the rating. [13]

Members participate in state Quality Rating and Improvement Systems (QRIS) at an estimated 64.3 percent of centers, above the national center participation density of 57 to 60 percent, the most recent published national figure, which reflects 2017 data (Appendix B). Because several states automatically enroll all or most licensed programs in their QRIS, the public figure is inflated in those states; the member figure is therefore best read as at or above the national benchmark rather than as a decisive difference.[14]

These standards matter to families and staff, which is why the investment is worth stating. For families, accreditation and a published state rating provide externally verified information about a program that would otherwise be difficult to evaluate from the outside. For educators, the same standards require ongoing professional development, planning time, and defined qualification pathways, which is why accreditation status tends to correlate with training investment. For operators, the process imposes a recurring external audit of practice across every accredited location.

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[12] Member accreditation: center-level accreditation data covering 7,004 member centers, 2026. National reference: NAEYC Annual Report 2025 reports 5,762 accredited early learning programs, against an estimated 115,000 to 120,000 U.S. center-based programs, yielding roughly 5 percent. The denominator is a Tyton Partners estimate, adjusted downward from the 121,049 center-based programs counted in the 2019 NSECE to reflect net closures since; no more recent authoritative national count has been published. See Appendix B.

[13] NAEYC accreditation standards and process: NAEYC (early learning program accreditation standards and assessment items). State quality rating and improvement system design: Quality Compendium (BUILD Initiative). This paragraph describes program requirements rather than reporting member data.

[14] State QRIS participation density: Quality Compendium (NCECQA / BUILD Initiative), 2017 data published February 2019 (median 60%, mean 57%). This remains the most recent published national density figure. Systems reporting 100 percent density designate all licensed programs at the first rating level, which inflates the national figure in those states. Forty-two QRISs were fully operational as of 2021. See Appendix B.

About 66 percent of members, centers-weighted, report exceeding state licensing minimums across most or all their centers, and nearly all report exceeding them in at least some. The areas where members most often exceed the minimum are informative: safety and security features lead at ~92 percent, followed by staff training requirements at ~79 percent, classroom equipment at 77 percent, and staff education requirements at 70 percent. Staff-to-child ratios and group-size limits are exceeded less often, at 46 and 32 percent, which is consistent with state requirements in those two areas already sitting close to recommended practice in many states. Read together, the pattern suggests that discretionary investment concentrates where regulation leaves the most room, particularly in safety, training, and facilities.

Members' curricula are predominantly proprietary: roughly three-quarters use a curriculum created by their own organization, and members near-universally describe it as research-based, aligned to state learning standards, and supportive of kindergarten readiness (brand-weighted). Quality is supported through curriculum and teaching-practice training, internal and field-team classroom observations, and, in most cases, formal measurement, using standardized child-assessment tools such as Teaching Strategies GOLD and ASQ and classroom-quality instruments such as ECERS or ITERS and CLASS. Ninety-three percent of members track and share child-progress results, sharing them with staff or families, and about a quarter report them publicly.

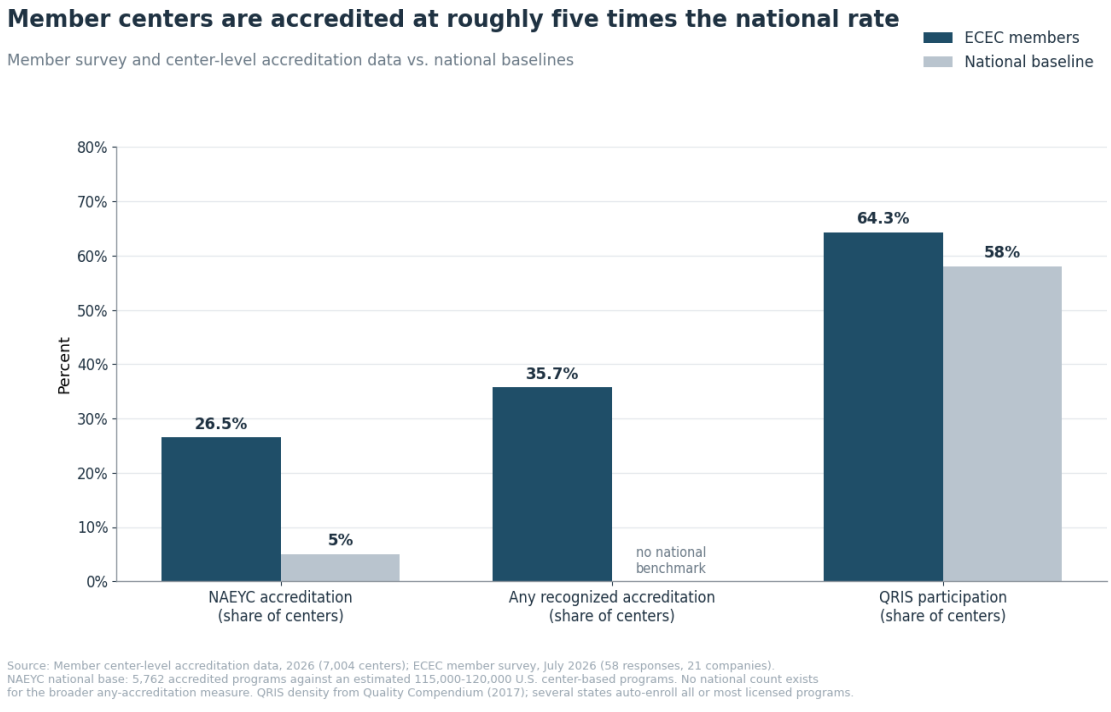


Exhibit 2.1. Member accreditation and quality-system participation vs. national baselines. Source: Member center-level accreditation data, 2026; ECEC member survey, July 2026; NAEYC Annual Report 2025; Quality Compendium.

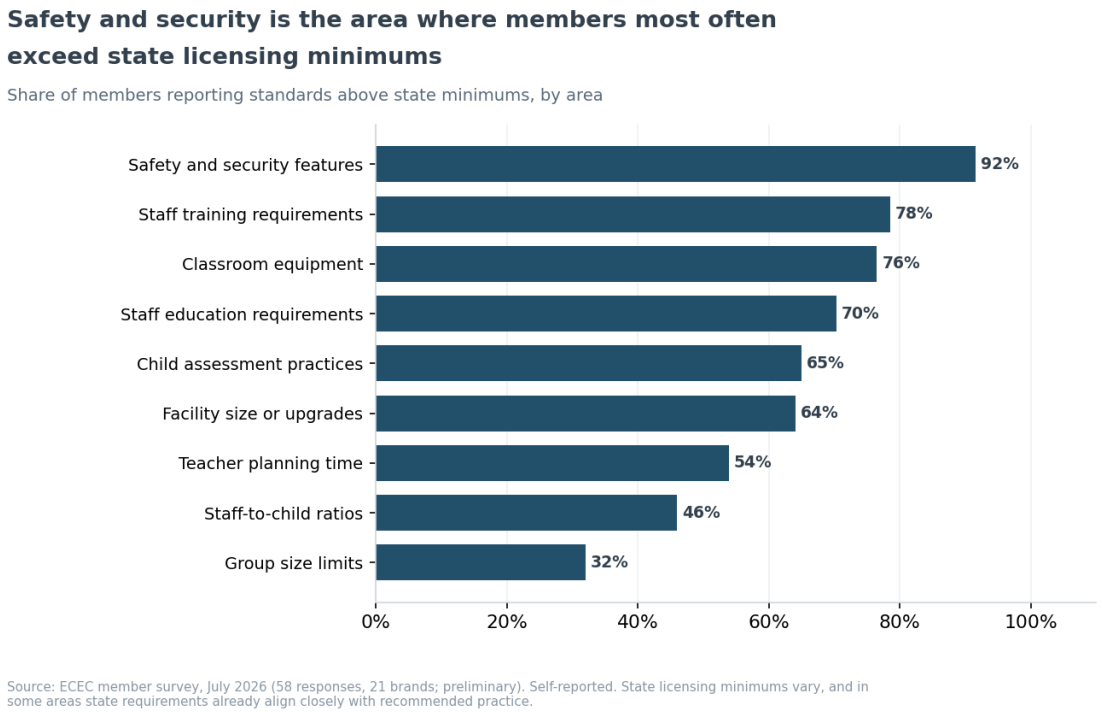


Exhibit 2.2. Areas where members exceed state licensing minimums. Source: ECEC member survey, July 2026.

Table 2.1. Member quality signals (weighted).

Quality signal	Members	National benchmark
NAEYC accreditation (share of centers)	26.5%	~5% of programs
Any recognized accreditation (share of centers)	35.7%	not available
QRIS participation	64.3%	~57-60% (auto-enroll inflates)
Exceeds licensing minimums (most/all)	65.8%	not available
Tracks and shares child outcomes	93.1%	not available

2.3 Workforce compensation and supports

On a children-served-weighted basis, member organizations report an average lead-teacher wage of ~$19.80 an hour and an average assistant or aide wage of ~$17.41. The nearest national benchmarks come from the BLS Occupational Employment and Wage Statistics for May 2025. Measured within the childcare industry itself, the median for preschool teachers is $17.72 an hour and the median for childcare workers is $16.43 an hour. Measured across all industries, the corresponding medians are $18.34 and $16.82. One definitional caveat matters for how the comparison is read: the BLS preschool-teacher wage figure is a cross-industry median that includes teachers employed by school districts and by Head Start grantees, whose pay scales are supported by public funding and subject to different requirements (e.g., student-teacher ratios in some public programs can be higher than what is required of privately operated programs). The industry-specific median is

therefore the cleaner comparison, and against it the member lead-teacher wage sits $2.08 above the benchmark and the member aide wage $0.98 above.[15]

The scale of the ECEC membership converts small hourly differences into large aggregate sums. Across the responding companies, the model estimates roughly 81,000 teaching positions staffed at any given time. Because centers typically operate 11 or 12 hours a day while a teacher works an eight-hour shift, the number of full-time-equivalent teaching staff behind those positions is higher – on the order of 81,000 to 110,000 depending on how much of the operating day requires full classroom coverage. At full-time equivalent hours, each additional dollar an hour across that workforce represents about $2,080 a year per person and somewhere between $170 million and $230 million a year in additional payroll for the responding membership as a whole, before payroll taxes and benefit loading. The $2.08 gap between the member teacher wage and the industry median therefore represents on the order of $350 to $475 million a year in wages above the benchmark. Moreover, the benefit results show that members have chosen to bear meaningful recurring costs beyond base wages, including medical coverage, retirement plans, paid time off, education support, and childcare tuition discounts. This arithmetic cuts in both directions: it is the measure of what members currently invest above market, and it is also the constraint that determines how quickly compensation can rise without a corresponding increase in tuition or reimbursement.[16]

Because member organizations are large, multi-site employers, their benefit offerings are most fairly read against both all private-industry workers and the largest establishments, those with 500 or more workers, where benefit access is highest. One construct note applies throughout: the survey measures whether an organization offers each benefit, while the BLS National Compensation Survey (March 2025) measures whether a benefit is available to workers. Both are measures of availability, and both are distinct from participation, or take-up.

Members offer medical insurance at 93.4 percent and retirement plans at 96.2 percent, against private-industry access of about 72 percent for each, and paid time off at every responding member against ~80 percent. Dental and vision coverage are offered by 83.4 and 82.9 percent. The starkest difference is the childcare tuition discount, offered by every responding member against a private-industry benchmark of nearly 13 percent; for a family with a child in care the discount is worth the price of tuition, and it is effectively unavailable outside the sector. Read as a total compensation package rather than as an hourly rate, the member position relative to the wider field is considerably stronger than the wage comparison alone suggests.

Taken together, the compensation and quality findings answer an important question: if member wages exceed sector medians by roughly one to two dollars an hour, where does the balance of

[15] In franchise networks, individual franchisees set wage and benefit levels for their own locations, and the survey instrument accounted for this by directing franchisor respondents to report an overall network average rather than a single organizational rate; franchisor-reported compensation figures should therefore be read as network-level averages rather than as uniform policy across locations.

[16] Tyton Partners analysis of the ECEC member survey. Teaching positions are derived from licensed capacity and reported center utilization, giving approximately 731,000 children enrolled, divided by an assumed blended staff-to-child ratio of 1:9, which yields approximately 81,000 teaching positions staffed at any given time. Because centers operate longer than a single staff shift, the full-time-equivalent teaching workforce behind those positions is larger. The range shown applies coverage factors from 1.0, which assumes no additional staffing beyond a single shift and is therefore a floor, to approximately 1.375, the ratio of an eleven-hour operating day to an eight-hour shift. Full-time equivalent hours of 2,080. The survey did not collect staff counts, hours, or classroom ratios directly; each of these is an assumption, and the range is reported in place of a point estimate for that reason. Figures exclude payroll taxes and benefit loading and are illustrative of scale rather than an estimate of any member payroll.

member spending go? On the survey evidence, it goes into the benefit package, most distinctively the universal childcare tuition discount and the near-universal education and CDA support; into professional development at ~23 hours a year per staff member; into externally verified quality, through accreditation and state quality systems, with their associated staffing and facility requirements; and into safety, training, and facilities, the three areas where members most often exceed state licensing minimums. The survey did not collect a cost breakdown, so components cannot be summed to a total, and a per-child expenditure item would be required to do so.

Mental-health support is offered by 81.6 percent of members and education or CDA support by 99.1 percent, and members report an estimated 23.1 hours of professional development per staff member per year. The BLS benefit series is published for all private industry and for broad sectors rather than for childcare on comparable terms, so the benchmarks above are private-industry-wide. The closest childcare-specific reference comes from the federal National Survey of Early Care and Education, which found that only 23 percent of center-based teachers outside public school settings received health insurance through their employer. Against that reference, the member offer rate of 93.4 percent is several multiples of the sector norm.

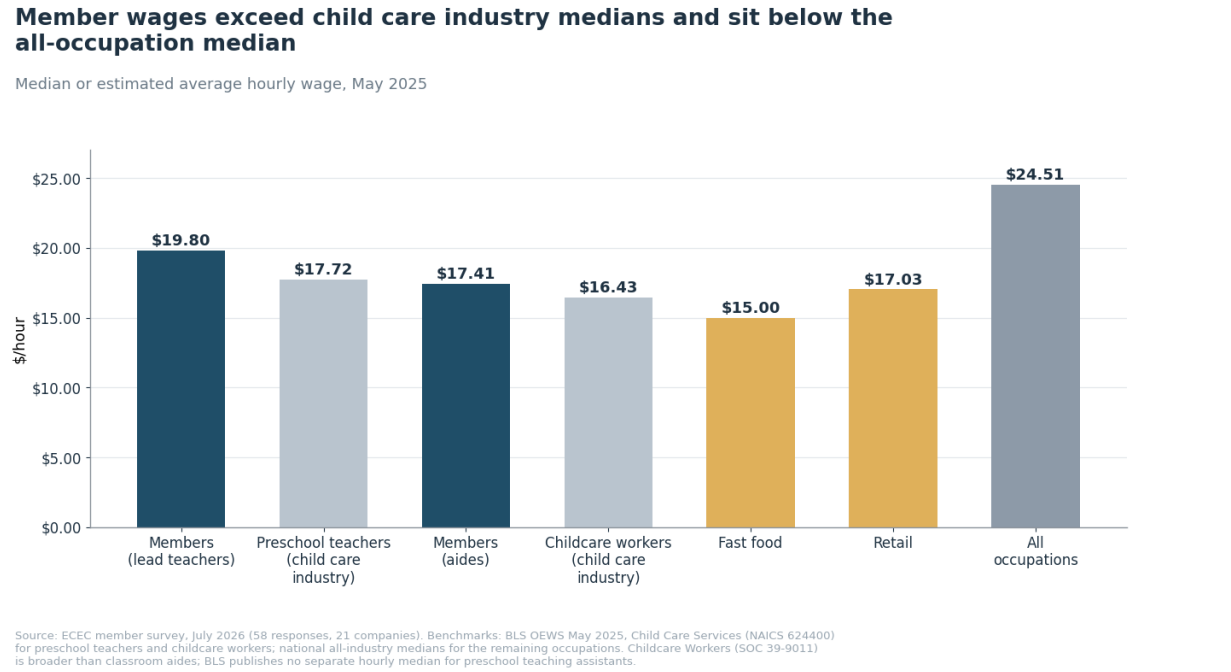
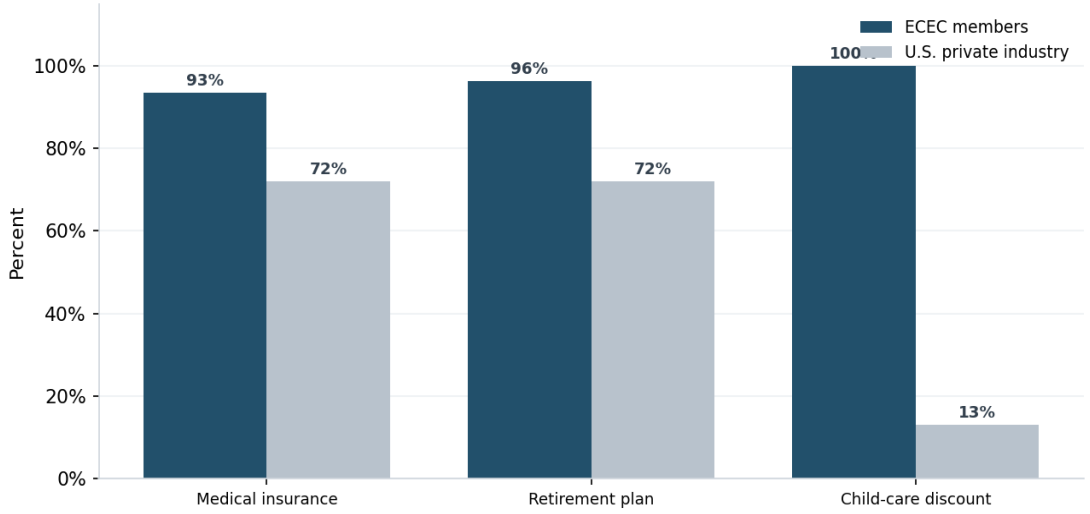


Exhibit 2.3. Member wages vs. childcare industry medians and comparable occupations. Source: ECEC member survey, July 2026; BLS OEWS May 2025, Child Care Services (NAICS 624400).

Member benefit offerings exceed the private-industry norm, most sharply on child-care discounts

Member offer rate vs. private-industry access

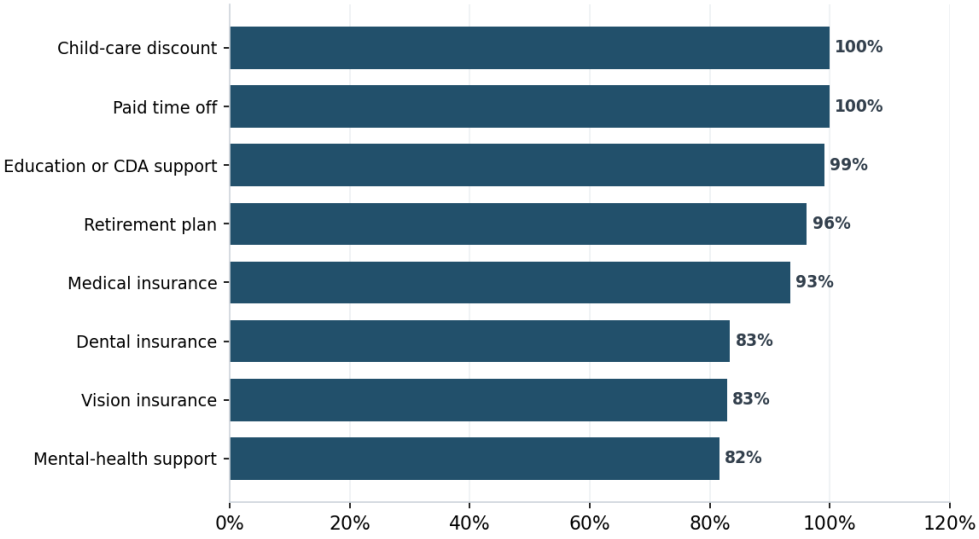


Source: ECEC member survey, July 2026 (58 responses, 21 brands; preliminary). Benchmark: BLS National Compensation Survey, private industry access, 2025. A childcare-industry-specific benefit benchmark is not published on comparable terms.

Exhibit 2.4. Member benefits vs. private-industry access. Source: ECEC member survey, July 2026; BLS National Compensation Survey.

Member benefit offerings are broad and near-universal

Share of responding members offering each benefit



Source: ECEC member survey, July 2026 (58 responses, 21 brands; preliminary).

Exhibit 2.5. Member benefit offerings. Source: ECEC member survey, July 2026.

Table 2.2. Member compensation and benefits vs. benchmarks (weighted).

Compensation/ benefit	Members	National benchmark
Lead teacher wage (median)	$19.80/hr	$17.72/hr (OEWS, childcare industry)
Assistant/ aide wage (median)	$17.41/hr	$16.43/hr (OEWS, childcare industry)
Medical insurance offered	93.4%	72% (private)
Retirement plan offered	96.2%	72% (private)
Childcare tuition discount	100%	13% (private)
Paid time off	100%	80% (private)
Professional development	23.1 hrs/yr	not available

2.4 Workforce stability

Members report an estimated staff retention rate of 64.6 percent on a children-served-weighted basis, which implies annual turnover of roughly 35 percent. No comparable national rate can be constructed from the available evidence. The national sources measure departure among center-based teaching staff on a different basis, distinguish among roles and settings that the survey blends into a single measure, and are drawn from a sampling frame that includes member organizations themselves. The report therefore does not place the member figure against a national turnover rate, and reports it on its own.

Members offer above-market wages, broader benefits, and more professional development, and the survey does not show a corresponding retention advantage. Plausible explanations include the compensation gap to other industries, rather than to other providers, since the all-occupation median remains well above member wages; the concentration of turnover among newly hired staff; and differences in how members define and measure separations. Testing these would require an item set on tenure at separation and roll-level retention, as well as an employee survey, both of which were outside the scope of this study.

2.5 Operational infrastructure

Operating infrastructure is effectively universal across the membership. All responding members use center-management software and a family-communication app, and nearly all use an HR and payroll system and reporting or analytics tools; about 87 percent operate a proprietary platform. In practice these systems carry the functions on which compliance and family communication depend: attendance and ratio tracking, staff credential and training records, incident documentation, immunization and allergy records, background-check administration, and daily communication with parents. For a multi-site operator, this infrastructure makes consistent practice across many locations and state regulatory regimes verifiable rather than aspirational.

Ownership structure is the subject of active legislative attention in a growing number of states, so the survey asked members directly what they attribute to private equity ownership. The item measures attribution rather than outcome, and it applies only to the 18 responding companies that are private-equity backed. Among this group, the most frequently cited outcomes are improved

curriculum or facilities, at ~90 percent, improved technology systems at 83 percent, and support for staff pay or training at 82 percent. About 67 percent reported that ownership investment helped keep centers open that may have otherwise closed and ~34 percent noted that private equity ownership expanded access in underserved areas; ~8 percent saw no clear benefit.

Two of these categories bear directly on safety and compliance: the facility investment members describe includes the physical safety features and building upgrades reported in Section 2.2, and the technology systems carry the ratio tracking, credentialing, incident documentation, and background-check administration on which multi-site compliance depends. These are the only systematic evidence currently available on the question of the impact of ownership structures, and the finding that a majority associate ownership investment with keeping centers open speaks directly to the cost pressures described above.

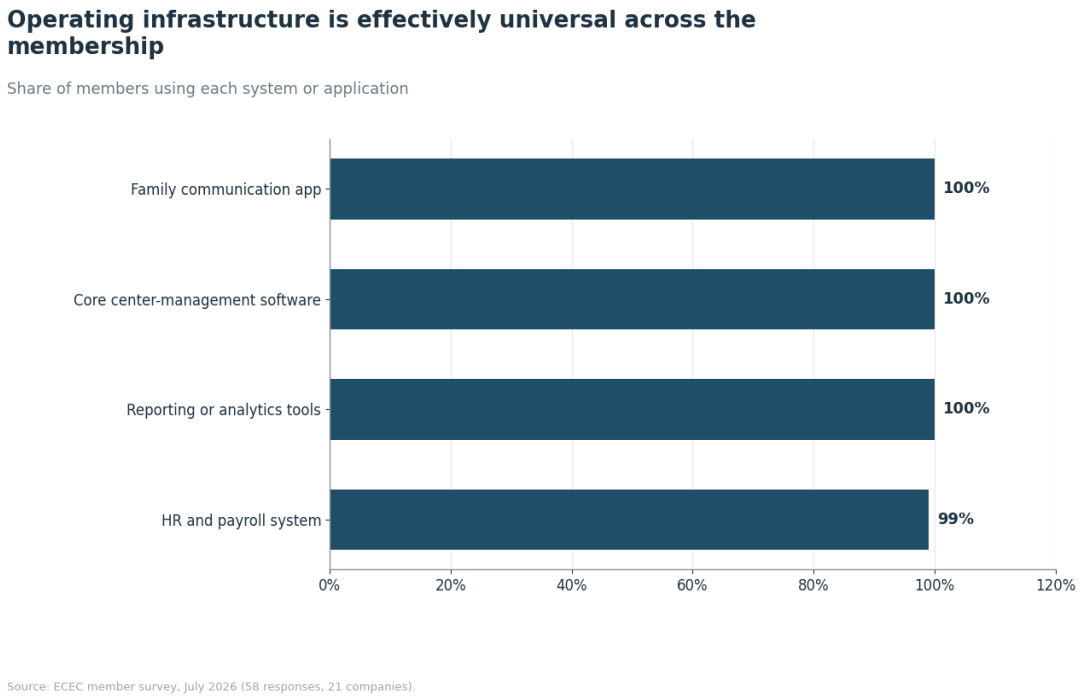


Exhibit 2.6. Operating systems across the membership. Source: ECEC member survey, July 2026.

2.6 Family and community engagement

Members maintain multiple, overlapping family-engagement channels. The most common are parent-teacher conferences and family social events, each at ~ 79 percent, a family-communication application at 79 percent, parent information nights at 76 percent, and daily child updates at 74 percent. At-home learning activities are offered by ~ 65 percent. Two practices are less common: parent video access, at 36 percent, and materials in families' home languages, at 33 percent. The survey asked about practice organization-wide rather than state by state, and in states with large dual-language-learner populations home-language materials are standard practice and, in some cases, required, so a network-wide average understates what individual centers in those states provide while also indicating real variation across the footprint.

For children with additional needs, the measure that distinguishes these providers is the special education infrastructure they maintain beyond what licensing requires. About 75 percent of members report formal partnerships with specialists and ~54 percent embed specialists in inclusive classrooms, with smaller shares offering behavioral therapy, health screenings, cultural training, and medical support. Staff training in inclusive practice, on-site therapy, and screening are discretionary investments; they are also the services families report the most difficulty finding elsewhere in the market.

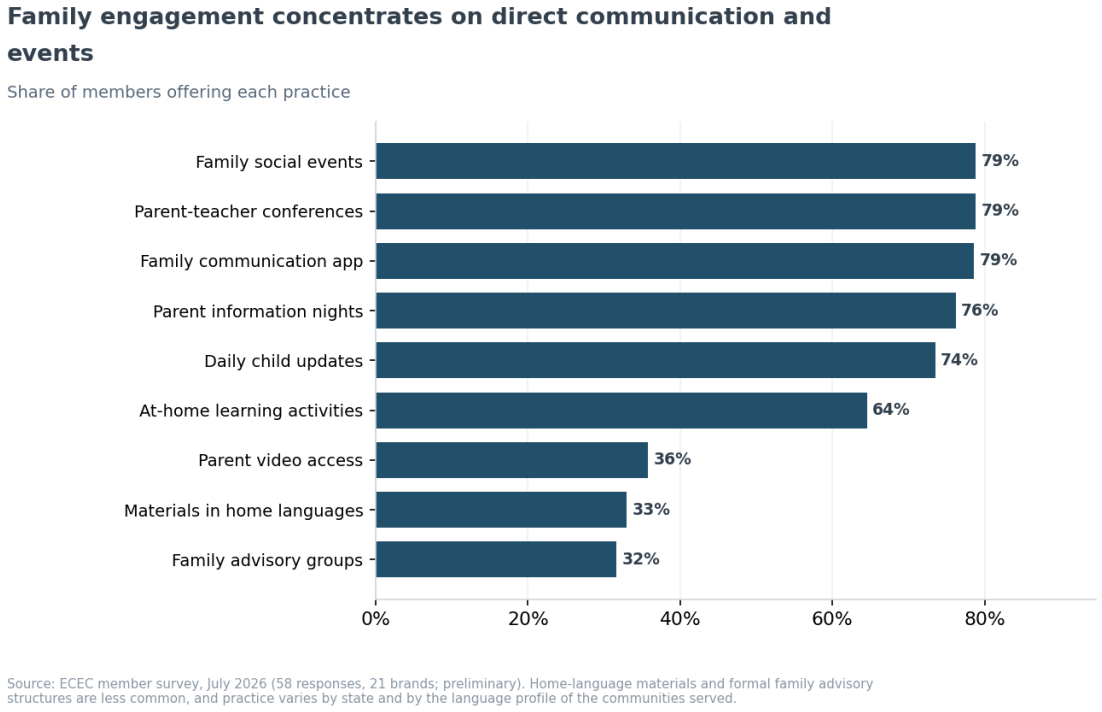


Exhibit 2.7. Family-engagement practices. Source: ECEC member survey, July 2026.

2.7 Funding mix and pricing context

Member participation in public funding streams varies considerably by program, and the survey measures each on different terms. On Head Start, ~16 percent of members operate at least one participating center, against a national reference of ~11 percent of center-based programs reporting Head Start funding. Head Start participation is not, however, a simple matter of election: grants are awarded competitively to designated grantees for defined service areas, carry program requirements and cost-allocation rules that differ from those of private-pay operation, and are not generally available to a provider that wishes to opt in. The relevant question for policy is therefore less how many private providers participate than whether the program's structure permits them to.[17]

Childcare subsidy is measured as the number of children served rather than as a share of centers, and the survey item does not support a reliable aggregate: ~44 percent of respondents answered that they did not know, and the lowest response band spans zero to 15,000 children, which is too

[17] Head Start participation: analysis of the National Survey of Early Care and Education finds about 11% of centers report Head Start funding. The survey item measures Head Start specifically. See Appendix B.

wide to sum meaningfully. The report therefore does not state a member subsidy total, and the frequently cited figure of 47 percent of centers receiving CCDF subsidies is a national benchmark drawn from the National Survey of Early Care and Education, not a member figure.

Two further points bear interpretation. Nationally, CCDF served approximately 1 million children under six in an average month, so the large multi-site operators, several of which serve subsidy families at scale, necessarily account for a meaningful share of subsidy-supported enrollment relative to their share of the overall market. And at least one large member with a substantial subsidy-funded population did not respond to this survey, which means the responding sample understates subsidy participation across the membership.[18]

Participation in publicly funded pre-K classrooms is where the membership's range is most visible. Asked what share of their centers operate both private-pay and publicly funded pre-K classrooms, ~36 percent of respondents reported none, while ~11 percent reported that more than 80 percent of their centers do, with the remainder distributed across the range. The membership is therefore not a single private-pay block: it includes operators with no public-program involvement and operators for whom publicly funded classrooms are the predominant model, and the same organization often operates both models in different states. Any characterization of these providers as serving uniformly high-income, full-tuition populations is inconsistent with this finding.

On the effect of public pre-K on their own enrollment, members' responses were divided. About 25 percent report a major decline of 5 percent or more and 18 percent a minor decline, while ~11 percent report an increase and 6 percent no noticeable effect. The largest single response, at 39 percent, is mixed impact across states. That result is the most informative one: it indicates that the effect is driven not by public pre-K as such but by how each state structures delivery and the level of investment, which is consistent with the policy pattern described in Section 1.6.

The practical lesson is that public investment need not displace community-based capacity. Where public pre-K is designed as a true mixed delivery, existing providers can deliver publicly funded classrooms while retaining the extended-day care, facilities, family relationships, and operational continuity that working families use outside a school-day schedule. Where the program design excludes those providers or pays below the cost of delivery, the same public investment can reduce the financial viability of infant, toddler, and wraparound care. A state-level breakdown, separating states with public school-only delivery from those with genuine mixed delivery, would convert this from a descriptive finding into an actionable one.

On pricing, the survey does not support a like-for-like member-versus-field comparison, because member tuition was not collected on a per-child, per-age, per-market basis and published price data are not available on matching terms. What can be said is that reported tuition increases across the field have moderated to the 3-to-5-percent range while childcare prices generally have risen faster than overall inflation, which implies compression rather than expansion of pricing power. To be

[18] Approximately 1 million children under six served in an average month, calculated from HHS Administration for Children and Families, FY 2023 Preliminary Data Table 9, Average Monthly Percentages of Children In Care By Age Group (65 percent of CCDF children are under six), applied to the 1.62 million children served monthly under CCDF in preliminary FY2023. https://acf.gov/occ/data/fy-2023-preliminary-data-table-9 Member subsidy figures are not reported because the survey item does not support an aggregate, as described in the text.

clear, individual survey respondent margin was not requested or likely uniformly calculated so no implication of survey company margin should be implied here or generally.

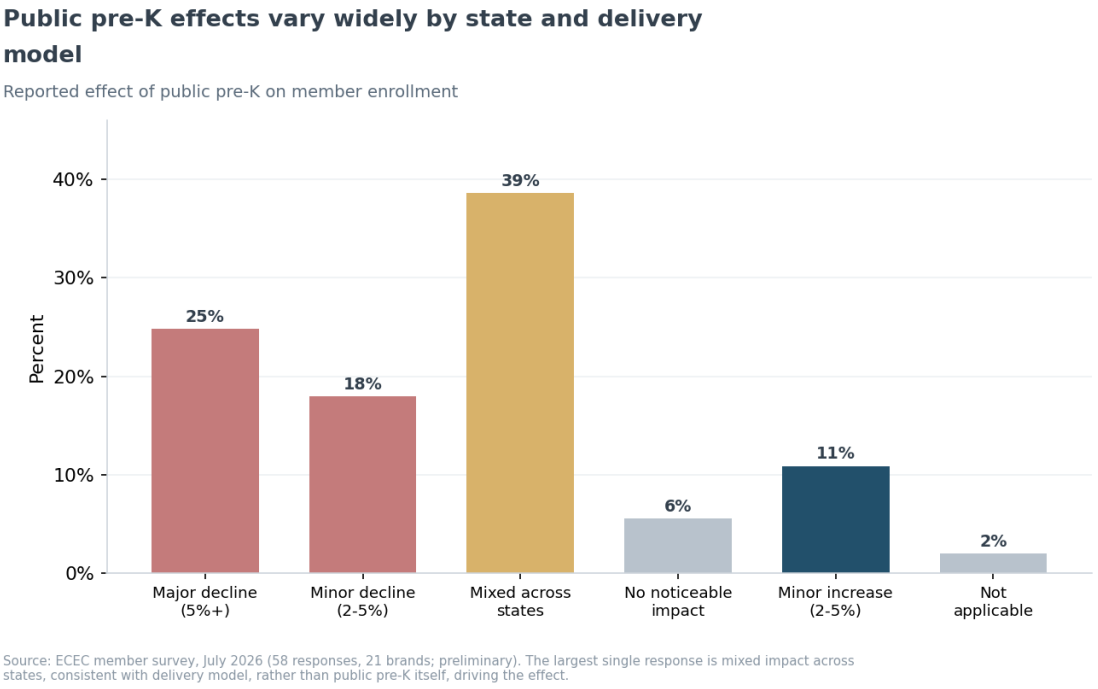


Exhibit 2.8. Reported effect of public pre-K on member enrollment. Source: ECEC member survey, July 2026.

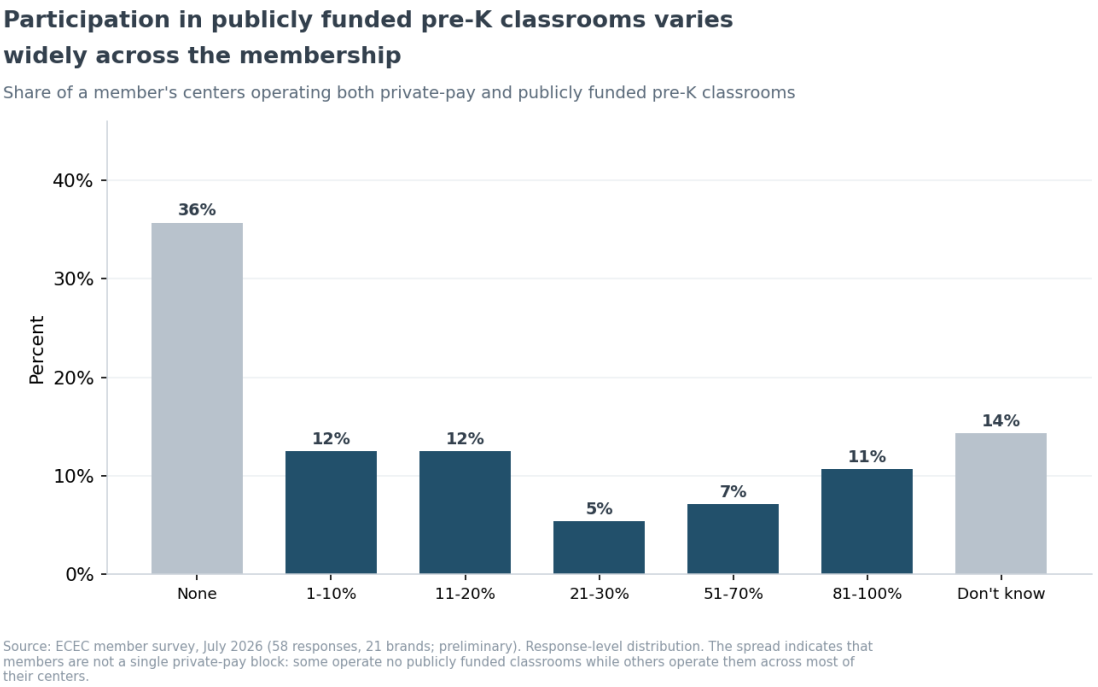


Exhibit 2.9. Share of a member's centers operating publicly funded pre-K classrooms. Source: ECEC member survey, July 2026.

SECTION 3. WHAT THE DATA SHOW

3.1 The benchmark scorecard

The clearest way to read the member data is against the public benchmarks for the field. The chart below places each member metric next to the best available national reference. Two cautions govern the reading. Where a benchmark is measured on different terms than the member figure – most importantly Head Start participation, which counts companies with any participating centers rather than shares of centers – the comparison is not like-for-like and is marked accordingly. And where no reliable national benchmark exists, the member figure is reported on its own rather than ranked.[19]

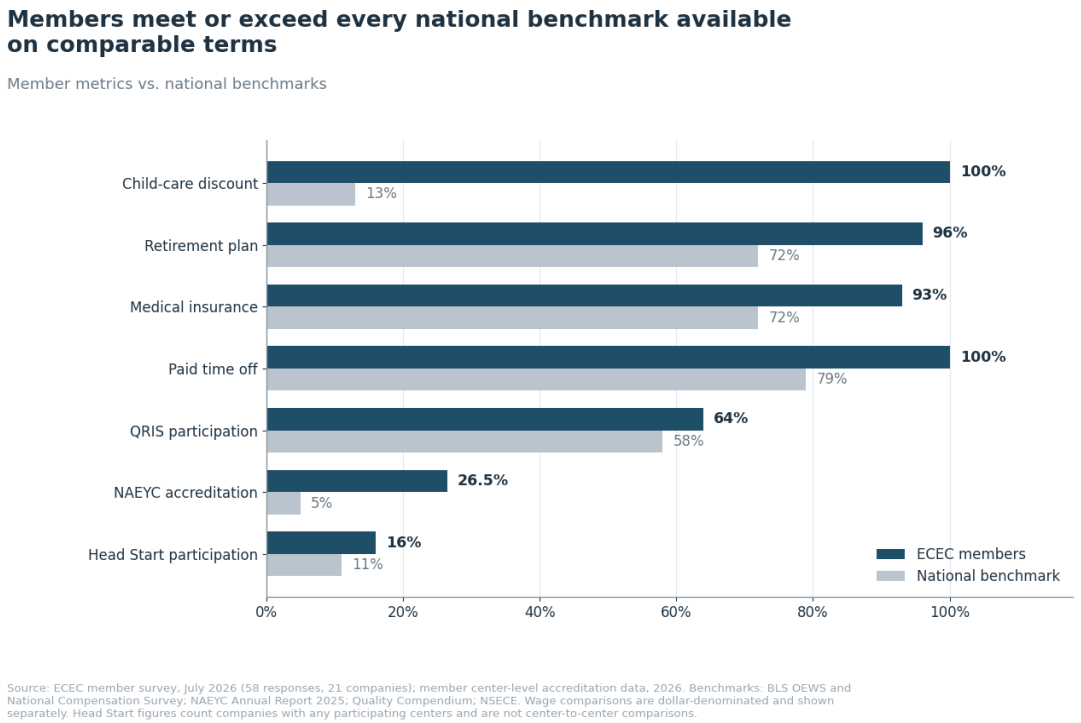


Exhibit 3.1. Member metrics vs. national benchmarks (percent). Source: ECEC member survey, July 2026; member center-level accreditation data, 2026; BLS; NAEYC Annual Report 2025; Quality Compendium; NSECE.

3.2 What the scorecard shows

Three findings stand out. First, members invest in their workforce above the private-sector norm: medical insurance, retirement plans, and paid time off are offered at rates well above the private-industry baseline, and a childcare tuition discount is effectively universal against a private-industry rate near 13 percent. Wages sit above the sector medians for both lead teachers and aides while remaining below the all-occupation median, which is the central labor-market fact of the sector: it

[19] Benchmark sources: wages, BLS OEWS (May 2025); benefits, BLS National Compensation Survey access rates for all private industry (2025); accreditation, member center-level accreditation data (2026) against NAEYC Annual Report 2025 program counts; QRIS, Quality Compendium (2017; several states auto-enroll, inflating density); Head Start participation, NSECE. Member figures are weighted survey estimates.

competes for staff against industries that pay more. Second, members participate in external quality systems at rates the broader field does not approach, and the areas where they most often exceed licensing minimums are safety and security, staff training, and facilities. Third, the operating infrastructure that supports compliance and family communication is effectively universal.

On workforce stability the picture is more measured. Staff retention implies annual turnover in the mid-30s; no comparable national rate can be constructed, so no benchmark is reported.

Read together, the scorecard describes a set of structural pressures rather than a verdict. The first is the relationship between compensation and affordability: the above-market wages and benefits that make members strong employers also raise the cost base at a moment when families have become more price-sensitive and reimbursement rates are set administratively. The second is the cost of externally verified quality: accreditation, training, safety investment, and specialist infrastructure are real and recurring costs, and they are incurred in an environment where families are increasingly unable to absorb the increases that rising costs would require. The third is the unevenness of public-program exposure: because participation in publicly funded pre-K ranges from none to nearly all an operator's centers, the same policy change affects members very differently depending on where they operate and how each state structures delivery. Read against the question of what should matter most to families and policymakers when assessing early care and education programs, the measures examined here are the ones that bear most directly on families' and communities' experience of care: workforce stability and investment, program quality, health and safety, family communication, operational reliability, and participation in publicly funded services.

3.3 Reading the comparison with care

Several cautions apply. The member figures are weighted estimates from a survey of 58 responses across 21 companies; they are not a census. The national benchmarks vary in vintage and basis: wage benchmarks are BLS OEWS medians for May 2025 for Child Care Services, with cross-industry figures shown alongside; benefit benchmarks are BLS National Compensation Survey access rates for all private industry rather than for childcare specifically; and QRIS density reflects 2017 data and is inflated by states that automatically enroll all or most licensed programs. Head Start figures are not center-to-center comparisons. The subsidy item does not support an aggregate, and at least one large member serving a substantial subsidy population did not respond, so subsidy participation is understated. Pricing is not comparable on current data. None of these cautions changes the central pattern, but each should temper how precisely any single gap is read.[20]

[20] The member figures are weighted estimates from a survey of 58 responses across 21 companies, weighted to reflect scale, and are not a census; national benchmarks vary in vintage and basis. Where no reliable national benchmark exists, the member figure is reported on its own rather than ranked.

APPENDIX A. METHODOLOGY

This appendix documents how the survey was conducted and analyzed and how the public benchmarks were constructed, so that the findings in Sections 2 and 3 can be evaluated and reproduced.

A.1 Data sources

The report draws on two independent bodies of data. The first is the ECEC member survey, a proprietary instrument fielded to member organizations in mid-2026. The second is a set of public benchmarks drawn from federal statistical sources and other primary datasets, documented individually in Appendix B. The two are kept distinct throughout: member figures describe the responding organizations, while benchmarks describe the national field.

A.2 Survey design and administration

The survey was administered online through Qualtrics, using two coordinated instruments: a primary instrument for franchisor or brand-level respondents and a shorter instrument for franchisees, so that multi-unit organizations and individual operators could each respond at the appropriate level. This analysis reflects 58 complete responses spanning 21 distinct companies. Because several brands are represented by more than one respondent, responses were first consolidated to the brand level before any aggregation (see A.3). The response base is closed. Member figures are weighted survey estimates, not a census.

A.3 Unit of analysis and weighting

The unit of analysis is the responding company, or where a company operates several brands under one response, the brand, weighted by scale. Aggregation proceeds in two stages. First, where a brand is represented by multiple respondents, those responses are averaged to a single brand-level value, so that no brand is over- or under-represented by its number of respondents. Second, brand-level values are combined across brands using a scale weight rather than a simple average, so that the result reflects the size of the organizations behind each response.

Two weights are used. Center-level measures, such as accreditation, QRIS participation, and exceeding licensing minimums, are weighted by each brand's number of centers. Workforce measures, such as wages, benefits, professional development, and retention, are weighted by each brand's children served, which serves as a proxy for staffing scale. A weighted figure is the sum across brands of the brand value multiplied by its weight, divided by the sum of weights, computed only over brands that answered the item. As an illustration, two brands reporting 80 percent and 60 percent on a center-level measure and operating 672 and 110 centers combine to (672 times 0.80 plus 110 times 0.60) divided by 782, or 77.2 percent, not the simple average of 70 percent. Across the sample, the responding companies represent an estimated 7,004 centers and licensed capacity of ~1.07 million. Children enrolled is an estimate rather than a reported count: each brand's reported center-utilization band is taken at its midpoint, consolidated to the brand level, and averaged across brands, giving 68.3 percent, which applied to licensed capacity implies approximately 731,000 children enrolled.

A.4 Benchmark construction

Each benchmark is drawn from a primary public source and matched as closely as possible to the corresponding survey measure. Where the survey and the benchmark measure different populations or constructs, for example center incidence versus the share of a member's centers, or all-industry versus establishment-size cuts, the difference is stated rather than smoothed over and the comparison is labeled as not like-for-like. Appendix B records, for every benchmark, the source, release vintage, exact figure, population or construct, a direct URL, and a short reproduction note sufficient for an independent analyst to retrieve the same number. Wage figures use the BLS Occupational Employment and Wage Statistics; benefits use the BLS National Compensation Survey; quality, workforce-stability, and funding benchmarks use federal sources including the National Survey of Early Care and Education and the federal Quality Compendium.

A.5 Limitations

Five limitations bound the findings. They reflect a single point in time. Some items rest on smaller response bases. Several benchmark comparisons are not like-for-like by construction, as noted above and in Appendix B. And the retention measure blends teaching roles, so it does not resolve role-level turnover. Finally, staff credentials and degree mix were not benchmarked because the survey does not capture them. These limitations are reasons for interpretive care, not grounds to discount the findings, and each would be addressed by repeated measurement.

APPENDIX B. BENCHMARK SOURCES AND REPRODUCTION

Every public benchmark used in the report is listed below with its exact figure, the population or construct it measures, the primary source and release vintage, a direct URL, and a reproduction note. Member figures shown are carried from the survey model for reference; the benchmark values are independent of the survey.

1. Wages (occupation benchmarks; BLS OEWS)

Teacher hourly wage. Member: $19.80/hr. Public benchmark: $17.72 / hr. Basis: Preschool teachers, except special education (SOC 25-2011) employed in Child Care Services (NAICS 624400); national median. Note: the cross-industry median for the same occupation is $18.34 / hr and includes preschool teachers employed by school districts and Head Start grantees, whose pay scales are publicly supported. The industry-specific figure is the closer private-sector peer and is used as the primary benchmark.

Source: BLS OEWS National (Table 1) (May 2025). https://www.bls.gov/news.release/ocwage.t01.htm Reproduce: OEWS May 2025 industry tables, NAICS 624400 Child Care Services, 'Preschool teachers, except special education', Median hourly wage = $17.72. Cross-industry figure of $18.34 from OEWS May 2025 Table 1.

Teacher wage, context (public/school). Member: n/a. Public benchmark: $50,710 / yr (~$24.38/hr*). Basis: Preschool teachers in Educational services (state/local/private schools); median.

Source: BLS OOH (May 2024 (OOH by-industry)). https://www.bls.gov/ooh/education-training-and-library/preschool-teachers.htm Reproduce: OOH Preschool Teachers, Pay tab, 'Educational services; state, local, and private' = $50,710/yr. Context only; not a peer (different salary schedules and credential paths).

Aide / assistant hourly wage. Member: $17.41/hr. Public benchmark: $16.43 / hr. Basis: Childcare workers (SOC 39-9011) employed in Child Care Services (NAICS 624400); national median. The cross-industry median for the same occupation is $16.82 / hr. Note: SOC 39-9011 is broader than classroom aides; BLS publishes no separate hourly median for preschool teaching assistants, whose wages are reported only within a combined teaching-assistant occupation that is dominated by K-12 and special education roles.

Source: BLS OEWS National (Table 1) (May 2025). https://www.bls.gov/news.release/ocwage.t01.htm Reproduce: OEWS May 2025 industry tables, NAICS 624400 Child Care Services, 'Childcare workers', Median hourly wage = $16.43. Cross-industry figure of $16.82 from OEWS May 2025 Table 1.

Comparable jobs (labor-market context). Member: n/a. Public benchmark: Fast food/counter $15.00; cashiers $15.81; retail salespersons $17.03; all occupations $24.51. Basis: National median hourly, selected occupations.

Source: BLS OEWS National (Table 1) (May 2025).
https://www.bls.gov/news.release/ocwage.t01.htm Reproduce: OEWS May 2025 Table 1, Median hourly wage for each listed occupation.

2. Benefits (BLS National Compensation Survey, private industry)

Medical insurance. Member: 93.4%. Public benchmark: 72% (all private); 87% of full-time private. Basis: Private-industry workers with access.

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025)).
https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary: '72 percent of private industry workers had access to medical care plans'; full-time = 87%.

Dental insurance. Member: 83.4%. Public benchmark: 30% (<100 emp); 50% (100-499); 70% (500+). Basis: Private-industry access by establishment size.

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025).
https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary, dental by establishment size: <100=30%, 100-499=50%, 500+=70%.

Vision insurance. Member: 82.9%. Public benchmark: 21% (<100); 34% (100-499); 44% (500+). Basis: Private-industry access by establishment size.

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025).
https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary, vision by establishment size: <100=21%, 100-499=34%, 500+=44%.

Retirement plan. Member: 96.2%. Public benchmark: 72% (all private); 90% (500+). Basis: Private-industry workers with access.

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025).
https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary: retirement available to 72% of private workers; 90% in 500+ establishments.

Paid time off. Member: 100.0%. Public benchmark: Paid sick leave 55%-97% by industry (leisure/hosp. lowest). Basis: Private-industry access (paid sick leave shown; paid vacation generally higher).

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025).
https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary, paid sick leave access by industry ranges 55% (leisure and hospitality) to 97% (information; finance).

Childcare discount / benefit. Member: 100.0%. Public benchmark: 13% (all private); 8% (<100); 10% (100-499); 30% (500+). Basis: Private-industry workers with access to childcare benefits.

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025).
https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary: 'childcare benefits were available to 13 percent of workers' (8/10/30 by establishment size).

Mental health support. Member: 81.6%. Public benchmark: EAP ~40% (small establishments). Basis: Proxy: employee assistance program access.

Source: BLS National Compensation Survey (Employee Benefits) (Mar 2025 (rel. 9/25/2025). https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: EBS summary: EAP available to 40% of workers in <100-employee establishments (closest published proxy).

Education / CDA support. Member: 99.1%. Public benchmark: No clean public match. Basis: Tuition-assistance incidence not broken out for ECE.

Source: BLS NCS (tuition assistance) (Mar 2025 (rel. 9/25/2025). https://www.bls.gov/news.release/archives/ebs2_09252025.pdf Reproduce: NCS reports educational-assistance access but not for the ECE sector specifically; no apples-to-apples figure.

3. Quality signals

Centers participating in QRIS. Member: 64.3%. Public benchmark: Median 60%, mean 57% (center density). Basis: Center-based participation density across the 38 QRIS reporting it in 2017 (share of licensed centers participating in QRIS states). Forty-two QRISs were fully operational as of 2021, the most recent Quality Compendium data year.

Source: Quality Compendium (NCECQA / BUILD Initiative), federal (2017 data published 2019; this is the latest full accounting, the September 2023 trends update does not include a density figure)). https://childcareta.acf.hhs.gov/sites/default/files/qris_program_participation_2017.pdf Reproduce: Quality Compendium 2017 QRIS Fact Sheet (NCECQA, February 2019): center-based density across 38 reporting QRIS, median 60% / mean 57%; range 1%-100%. The same fact sheet notes that QRISs reported at 100 percent density designate all licensed programs at the first rating level, which is the mechanism that inflates the national figure in those states.

Accreditation recognition and verification within state QRIS. Member: not applicable. Public benchmark: 23 of 42 QRISs (55%) offer automatic or accelerated rating pathways for nationally accredited center-based programs; 17 (40%) do so for programs meeting Head Start or Early Head Start standards; 35 (83%) verify documentation through outside entities; 34 (81%) include an onsite observation in the rating. Basis: QRISs reporting these data in 2021. Source: National Center on Early Childhood Quality Assurance, “Trends in Quality Ratings Over Time” (September 2023), analyzing Quality Compendium 2021 data. Reproduce: Table 3 (automatic or accelerated ratings), Table 4 (verification processes).

NAEYC and other recognized accreditation. Member: 26.5% of member centers hold NAEYC accreditation, and 35.7% hold at least one recognized early childhood accreditation, measured across 7,004 member centers. Public benchmark: 5,762 NAEYC-accredited early learning programs, approximately 5% of an estimated 115,000 to 120,000 U.S. center-based programs. Basis: center-to-center comparison. Note: the member and benchmark figures are measured on the same unit. No national count exists for the broader any-accreditation measure, so that member figure is reported without a benchmark.

Source: NAEYC Annual Report 2025 (numerator); member center-level accreditation data (2026). https://www.naeyc.org/sites/default/files/wysiwyg/user-174467/naeycannualreport_2025.pdf Reproduce: NAEYC Annual Report 2025, Accreditation page: 5,762 accredited early learning programs. Denominator of 115,000 to 120,000 center-based programs is a Tyton Partners estimate. The 2019 National Survey of Early Care and Education (ACF-OPRE) counted 121,049 center-based programs, the most recent authoritative national count. The range applied here adjusts that figure

downward to reflect net center closures since 2019 and is used as a range rather than a point estimate because no post-2019 authoritative count has been published. 5,762 / 115,000 to 120,000 = approximately 5 percent.

4. Workforce stability (retention / turnover)

Teacher turnover, implied from reported retention. Member: 35.4% implied turnover, derived from a reported retention rate of 64.6%. Public reference: national sources report roughly 1 in 4 teachers leaving annually; 1/3 of centers >20% turnover, 44% none. Basis: center-based ECE workforce, national. Note: measured on a different basis and for a differently defined population than the member figure, so no like-for-like comparison is drawn.

Source: NSECE 2019 (ACF-OPRE); Crane Center (OSU); Cleveland Fed (2019 / 2024). https://acf.gov/opre/report/turnover-center-based-child-care-and-early-education-workforce-findings-2019-nsece Reproduce: NSECE 2019 (ACF-OPRE): one-third of centers had >20% teacher turnover, 44% had none. Crane Center (2019 NSECE): ~1 in 4 ECE teachers leave annually. Cleveland Fed (2024): childcare-worker turnover ~65% above a typical job; preschool-teacher attrition on par with typical jobs.

5. Public-funding participation (construct differs - see note)

Child care subsidy (CCDF/CCDBG). Member: not reported. The survey item does not support an aggregate, as described in Section 2.7. Public benchmark: 47% of centers receive CCDF subsidies; only 10% have >=50% subsidy density. Basis: Center incidence, national.

Source: NSECE 2019 (ACF-OPRE) (2019). https://acf.gov/opre/infographic/enrollment-size-and-subsidy-density-child-care-centers-receiving-child-care Reproduce: NSECE 2019 infographic: 47% of all centers reported receiving CCDF subsidies; 10% had subsidy density >=50%.

Head Start. Member: about 16 percent of responding companies operate at least one participating center. Public benchmark: 11% of centers report Head Start funding. Basis: Center incidence, national.

Source: Slicker, Gerilyn and Hustedt, Jason T. (2022). “Predicting participation in the child care subsidy system from provider features, community characteristics, and use of funding streams.” Children and Youth Services Review, Volume 136, article 106392. https://www.sciencedirect.com/science/article/abs/pii/S0190740922000287 Reproduce: Peer-reviewed analysis of NSECE: 11% of centers report Head Start funding; 73% rely on some public funding. Note: these percentages are quoted in the article from NSECE Project Team analyses of the 2012 NSECE, not from 2019 data.

State pre-K. Member: reported as a distribution rather than a single figure. About 36 percent of respondents operate no publicly funded pre-K classrooms and about 11 percent operate them in more than 80 percent of their centers. See Section 2.7. Public benchmark: 22% of centers report state pre-K funding. Basis: Center incidence, national.

Source: Slicker, Gerilyn and Hustedt, Jason T. (2022). “Predicting participation in the child care subsidy system from provider features, community characteristics, and use of funding streams.”

Children and Youth Services Review, Volume 136, article 106392. https://www.sciencedirect.com/science/article/abs/pii/S0190740922000287 Reproduce: Same source: 22% report pre-K funding; 6% report both Head Start and pre-K.

Children under six served by CCDF. Member: not reported. Public benchmark: approximately 1 million children under six served in an average month. Basis: average monthly count of children funded through CCDF, restricted to children under age six. Source: HHS Administration for Children and Families, FY 2023 Preliminary Data Table 9 (published January 21, 2026) and Quick Facts on CCDF Subsidies: Preliminary FY 2023. https://acf.gov/occ/data/fy-2023-preliminary-data-table-9 Reproduce: national row of Table 9 gives 65 percent of CCDF children under age six; applied to 1.62 million children served monthly. Not an annual unduplicated count.

Subsidy eligibility and receipt. Member: not applicable. Public benchmark: about 16 percent of federally eligible children receive a childcare subsidy (20 percent under state eligibility rules). Basis: children eligible under federal CCDF rules compared with children receiving subsidies. Source: HHS Office of the Assistant Secretary for Planning and Evaluation, estimates of childcare subsidy eligibility and receipt, FY2022. Reproduce: 1.8 million children receiving subsidies against 11.8 million children eligible under federal rules.

6. Cost structure

Labor share of operating cost. Member: not collected. Public benchmark: 60 to 80 percent of a provider's operating budget. Basis: center-based childcare providers, national. Note: the source describes this as staff wages; the report uses it as the share attributable to staff compensation. The survey did not collect a member cost breakdown, so no member figure is reported.

Source: Center for American Progress, “Understanding the Basics of Child Care in the United States” (February 2025). https://www.americanprogress.org/article/understanding-the-basics-of-child-care-in-the-united-states/ Reproduce: CAP article, cost section: “Anywhere from 60 percent to 80 percent of a providers' operating budget goes to staff wages.” The Center for American Progress is a policy research and advocacy organization rather than a statistical agency; the figure is presented as the best available published estimate and is corroborated by a 2021 CAP analysis of early childhood program budgets.

APPENDIX C. DATA TABLES

The tables below summarize the sample and the headline member figures. All member figures are company-level, scale-weighted as described in Appendix A.

C.1 Sample and scale

Responding companies	**21**
Complete responses	58
Company size mix	Small 8 · Mid 8 · Large 5
Estimated total centers	~7,004
Estimated children enrolled	~731,000

C.2 Headline member results (weighted)

NAEYC accreditation (share of centers)	**26.5%**
Any recognized accreditation (share of centers)	35.7%
Exceeds state minimums (most or all)	65.8%
QRIS participation (est. avg)	64.3%
Tracks and shares child-progress results	93.1%
Teacher hourly wage (est. avg)	$19.80/hr
Aide / assistant hourly wage (est. avg)	$17.41/hr
Medical insurance offered	93.4%
Dental insurance offered	83.4%
Vision insurance offered	82.9%
Retirement plan offered	96.2%
Paid time off offered	100.0%
Childcare discount offered	100.0%
Education / CDA support offered	99.1%
Mental health support offered	81.6%
Paid PD hours / year (est. avg)	23.1
Teacher retention rate (est. avg)	64.6%

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