



# First Children's Finance

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## **New Data Shows Vermont Closing the Child Care Gap, But Infant Care Still Lags**

**Montpelier** — First Children's Finance has released a new Vermont Supply and Demand Gap Analysis that shows measurable progress in expanding access to full-day, full-year child care across Vermont, while making clear that ongoing shortfalls continue to constrain workforce participation and business growth.

The new analysis finds Vermont closed the gap between supply and demand by 1,992 full-time spaces between 2024 and 2026. That progress comes amid modest demographic shifts: Demand for child care declined by about 8 percent over the same period, driven by a smaller population of young children — not by reduced workforce participation among parents. Statewide, access now meets the needs of approximately 40 percent of infants, 70 percent of toddlers, and 69 percent of preschoolers likely to require full-time care, underscoring both meaningful progress and ongoing challenges.

Nearly half of the remaining unmet need is for infant care (birth to 24 months), the most labor-intensive and expensive child care to provide. Access has improved since 2024, but infant care remains the single largest driver of Vermont's supply-demand gap, with direct implications for when and whether parents can return to work.

“When child care doesn’t work for families, it doesn’t work for employers,” said **Erin Roche**, Vermont Director for First Children’s Finance. “Understanding where families need child care will inform future investments – that’s why I’m so proud of the county and municipal-level analysis we were able to do this year.”

The analysis also shows that child care access varies widely across Vermont, reinforcing the importance of local and regional planning. Six counties — Addison, Bennington, Caledonia, Chittenden, Lamoille, and Windsor — now have enough capacity to serve at least 75 percent of toddlers and preschoolers needing care. Of these, Bennington,

Caledonia, and Chittenden also meet the needs of at least half of infants, highlighting progress that spans multiple age groups.

Several regional employment hubs continue to face large gaps, demonstrating the need for place-based strategies that align with where Vermonters live and work. But Windsor County now meets more than 80 percent of toddler demand, nearly 80 percent of preschool demand, and parents report greater stability and flexibility in their ability to work. A parent in Windsor County shared, “**Bambino University** [in Proctorsville] is a tremendous asset for our family and the larger community. Our daughter is absolutely thriving. The care they deliver allows me to work and provide further for our family.”

For employers, these regional gaps directly impact workforce participation. Some regions demonstrate how strategic alignment between child care investment and economic development goals can ease these pressures. In Caledonia County, access has improved across age groups, including for infants — offering a model for other Vermont communities.

**Annie McLean** of the Northeastern Vermont Development Association said, "Caledonia County's experience demonstrates that meaningful progress on child care supply is possible. By supporting child care as economic infrastructure, communities can reduce workforce barriers and create the conditions needed for local businesses to thrive and grow."

In other regions, expanding access has also improved quality, an outcome closely tied to program stability and workforce support. A parent in Bennington said, "At the **Berkshire YMCA**, all of the staff are friendly and wonderful. Plus, my child comes home almost every day with a new skill, word, or drawing."

First Children's Finance used population data, workforce participation estimates, and child care licensing data to assess both demand and the functional capacity of full-day, full-year regulated programs.

The analysis builds on recent public investments, including Act 76, which has helped stabilize child care businesses, raise quality standards, and strengthen the workforce. It also identifies opportunities for continued investment to expand supply — particularly in infant and toddler care, program sustainability, and workforce development.

The full Vermont Supply and Demand Gap Analysis and several supplemental briefs are available at [firstchildrensfinance.org/vermont](http://firstchildrensfinance.org/vermont).

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### **About First Children's Finance**

First Children's Finance (FCF) is a national nonprofit organization dedicated to increasing the supply and sustainability of high-quality child care in rural, urban, and Native communities. FCF Vermont provides business training, technical assistance, and financial tools for child care entrepreneurs and community partners working to strengthen Vermont's child care system. Learn more at [www.firstchildrensfinance.org/vermont](http://www.firstchildrensfinance.org/vermont).