

# Curbing private equity's expansion into child care <sup>[1]</sup>

With a greater investor presence likely, advocates push for tighter regulations

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## AVAILABILITY

Access online <sup>[2]</sup>

## Excerpts

Last week the Massachusetts Senate unanimously passed a child care bill that would significantly expand state investment in child care.

Less publicized: The bill also includes provisions that could make it harder for private equity-owned child care providers to expand significantly in the state.

Specifically, the bill takes steps to ensure that any given for-profit provider operating more than 10 programs in the state consumes no more than 1 percent of the \$475 millions in grants being proposed.

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Haspel points out that there's been similar momentum internationally, with British Columbia specifying that priority for public funding goes to public and nonprofit programs, and Australia requiring larger providers that manage more than 25 sites to submit more extensive financial reports.

The U.S. has historically spent very little on child care compared to other wealthy nations. Partly as a result, investor-backed, for-profit chains in the U.S. operate predominantly in middle-income and wealthier neighborhoods and communities, where they can often charge substantial tuition. That could change if more public funds flow into child care, leading to significantly increased government subsidies for lower-income children.

**Related link:** [Childcare is in chaos. Private equity and for-profit chains are swooping in](#) <sup>[3]</sup>

[Why those profiting from childcare in England need to be kept in check](#) <sup>[4]</sup>

**Region:** [United States](#) <sup>[5]</sup>

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